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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

MULTINATIONAL ENTERPRISES OF SUB-SAHARAN AFRICA

ANALYTICAL SUMMARY

Report by Mr. Alfredo Castillo Gomez */

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*/ Consultant.

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ABBREVIATIONS

AAFRA	Association of African Airlines
ACP	African, Caribbean and Pacific
ADB	African Development Bank
ADRIPECHE	Armement dakarois pour le regroupement de l'industrie de la pêche
AFRICA-RE	Société africaine de réassurance
ALMAP	Société algéro-mauritanienne de pêche
ASECNA	Agence pour la sécurité de la navigation aérienne en Afrique
ASEAN	Association of South East Asian Nations
ATAF	Association des transporteurs aériens de la zone franc
BAAM	Banque arabe africaine mauritanienne
BADEA	Arab Bank for Economic Development in Africa
BALIMA	Banque arabe libyenne-malienne pour le commerce extérieur et le développement
BALINEX	Banque arabe libyenne-nigerienne pour le commerce extérieur et le développement
BALM	Banque arabe libyenne-mauritanienne pour le commerce extérieur et le développement
BALTEX	Banque arabe libyenne-togolaise du commerce extérieur
BANIS	Banque Al-Baraka mauritanienne islamique
BCEAO	Central Bank of West African States
BELIPECHE	Société bénino-arabe libyenne de pêche maritime
BIsD	Islamic Development Bank
BMCI	Banque mauritanienne de commerce international
BOAD	West African Development Bank
BTD	Banque togolaise de développement
CARICOM	Caribbean Community
CCCE	Caisse centrale de coopération économique
CEB	Communauté électrique du Bénin

IRRADEX FICHE

CDC	Commonwealth Development Corporation
CEAO	Economic Community of West Africa
CIMAO	Société des ciments de l'Afrique de l'Ouest
CNCA	Caisse nationale de crédit agricole de Burkina
COBENAM	Compagnie béninoise de navigation maritime
COMAUNAM	Compagnie mauritanienne de navigation maritime
COMETRAB	Complexe d'exploitation et de transformation des bois
DEG	German Development Corporation
DMI	Dar-al-Maal al-Islami
EAMAC	Ecole africaine de météorologie et de l'aviation civile
ECOBANK	Ecobank Transnational Inc.
ECOWAS	Economic Community of West African States
EEC	European Economic Community
EIB	European Investment Bank
ENAB	Entreprise nationale d'approvisionement en bois et dérivés
ERM	Ecole régionale de la météorologie
ERNA	Ecole régionale de la navigation aérienne
ERSI	Ecole régionale de la sécurité incendie
HOTAFRIQUE	Société de développement hotelier et touristique de l'Afrique de l'Ouest
IATA	International Air Transport Association
IDA	International Development Association
IRANSENCO	Société irano-sénégalaise de pétroles et de mines
MACOP	Compagnie mauritano-coréenne de pêche
NIFERGUI-NIMBA	Société des mines de fer de Guinée pour l'exploitation des Monts Nimba
OCB	Office congolais du bois
OCBN	Organisation commune Bénin-Niger des chemins de fer et des transports

OAU	Organization of African Unity
OPEC	Organization of Petroleum Exporting Countries
PTA	Preferential Trade Area
RAN	Régie des chemins de fer Abidjan-Niger
SABLI	Société agro-animale bénino-libyenne
SALIMAUREM	Société arabe libyenne mauritanienne de ressources maritimes
SAMIA	Société arabe des industries métallurgiques mauritano-koweitienne
SAMIP	Société arabe mauritano-irakienne de pêche
SATAL	Société agricole togolaise-arabe libyenne
SCO	Société des ciments d'Onigbolo
SETUNA	Société sénégalo-tunisienne d'aliments de bétail
SFAC	Société forestière algéro-congolaise
SHELTER AFRICA	Société pour l'habitat et le logement territorial en Afrique
SICA	Société industrielle et commerciale africaine
SMDN	Société minière du Niger
SNIM	Société nationale industrielle et minière
SODETRAF	Société pour le développement du transport aérien en Afrique
SOTUSCI	Société tuniso-sénégalaise de commerce international
SOLIMA	Société libyo-malienne de développement d'élevage et d'exploitation du bétail
SOTRALGA	Société de transformation de l'aluminium du Gabon
SPCN	Société des produits chimiques du Niger
STAL PECHE	Société togolaise-arabe libyenne de pêche
TANZARA	Tanzania-Zambia Railway Authority
TANZAMA	Tanzama Pipelines Ltd.

UDEAC	Central African Customs and Economic Union
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UMOA	West African Monetary Union
UTA	Union du transport aérien

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INTRODUCTION

1. Multinational enterprises established by developing countries fulfil an important function as agents or instruments of economic co-operation among developing countries. This function was underlined by the Group of 77 Conference on Economic Co-operation among Developing Countries held at Mexico City in September 1976. 1/

2. The establishment of multinational enterprises by developing countries has received increasing emphasis in recent years. The many reasons prompting the organization of such enterprises include: "the need for the implementation of large-scale projects of greater amounts of capital than are available to any single country; the inadequacy of a single country's market for the production of certain goods and services which require economies of scale; easier access to capital markets and international financial institutions; the need to avoid the duplication, by several countries, of investment at the domestic level; enhanced negotiating capacity in certain sectors; development or import of advanced and costly technology; appropriate use of water resources belonging to more than one State; infrastructure projects of common interest; economic integration of a region or subregion and integration in frontier areas; equitable distribution of the costs and benefits of economic integration; and increased ability to compete with the transnational corporations". 2/

3. The UNCTAD definition of multinational enterprise has been adopted for the purposes of this study. 3/ The multinational character of an enterprise is accordingly defined by three indicators, multinational capital, multinational decision making, and multinational economic co-operation objectives.

4. With the growing interest of developing countries in their potentialities, numerous enterprises of this kind have come into being. As other reports 4/ have shown, and as can be seen from this report, some of the enterprises established have worked well while others have been handicapped by difficulties of various kinds and of varying degrees of gravity that have circumscribed their activities and in some cases resulted in their liquidation.

5. At the subregional level some economic co-operation and integration associations of developing countries have agreed on common rules for enterprises of this type. 5/ Such rules have been established for example by the Andean Group, the Caribbean Community (CARICOM), the Central African Customs and Economic Union (UDEAC) and the Central American Common Market. Other groups of countries have adopted régimes for the establishment or encouragement of multinational enterprises. These include the régimes for industry agreed by the River Mano Union, the charter for multinational industrial undertakings of the preferential trade area (PTA) of East and Southern Africa, the protocol on enterprises of the Economic Community of West African States (ECOWAS) and the Organization for Regional Co-operation for Development's agreement on enterprises. Other groups are examining the possibility of establishing régimes of this kind. The Economic Community of West Africa (CEAO) is for instance considering a draft standard memorandum of association for multinational enterprises. A draft law on Arab joint undertakings is also under consideration and ASEAN has developed a draft framework agreement on joint enterprises.

6. At the interregional level the creation of joint enterprises by developing countries and the organization of inter-enterprise co-operation are the focus of considerable interest. One of the measures approved by the Mexico City Conference of the Group of 77 on Economic Co-operation among Developing Countries in 1976 was the creation of multinational enterprises by developing countries. The Conference asked the UNCTAD secretariat to furnish any technical co-operation needed and the Committee on Economic Co-operation among Developing Countries approved this in resolution 1 (I) of 9 May 1977. The secretariat has prepared a number of reports, the principal topics being the legal and institutional aspects of the formation of multinational enterprises and the identification of sectors in which the creation of such enterprises would be feasible. 6/

7. The participants in the meetings of various categories of economic agents in Africa and Latin America under project RAF/83/006 on technical and economic co-operation between African and Latin American countries have seen the creation of joint ventures as a necessary step towards the expansion of trade between the two regions. A draft agreement on the legal régime for joint enterprises from two regions (Africa and Latin America) was prepared by the UNCTAD secretariat at the request of the UNDP Office for Project Execution under project RAF/88/006. 7/ The creation of joint enterprises and inter-enterprise co-operation are the subject of special attention in the action programme of the countries of Africa, the Caribbean and the Pacific (ACP).

8. This report is a component of a work programme on co-operation between developing country enterprises which covers such matters as the promotion of joint enterprises and investments, encouragement of the flow of capital to developing countries, the dissemination of information on inter-enterprise co-operation, the better use by enterprises of the opportunities resulting from freer trade and the facilitation of joint investments under the agreements and programmes of developing country associations for economic integration and co-operation, and the enhancement of inter-enterprise co-operation and the management and operating capabilities of enterprises through the co-operative machinery and programmes of existing organizations for economic co-operation in the developing countries.

9. This report on multinational enterprises of Sub-Saharan Africa was preceded by a report on Latin American multinational enterprises. 8/ A similar report on multinational enterprises of the Arab countries is in preparation. Following the earlier report on Latin American multinational enterprises, this report summarizes the most important characteristics of the multinational enterprises of Sub-Saharan Africa taking into account their membership, headquarters, background, legal nature, objectives, capital, organization and operations. Twenty-seven enterprises are analysed, 10 established by countries of Sub-Saharan Africa and 17 established with the participation of other developing countries. All the enterprises have their headquarters in a country of Sub-Saharan Africa. They are considered in the order of their establishment. A list containing information on the multinational enterprises of Sub-Saharan Africa is annexed. Several enterprises are not included in the analytical summary because the required information was not available.

10. The countries of the subregion participating in such enterprises, 9/ listed in decreasing order of the number of enterprises participated in are: Togo, Benin, Côte d'Ivoire, Burkina Faso, Senegal, Mauritania, Ghana, Congo, Mali and Sierra Leone. The countries of the subregion participating in enterprises with developing countries from outside the subregion area, in the same order, Nigeria, Togo, Mauritania, Benin, Senegal, Mali, Gabon, Cameroon, Ghana, Kenya and Uganda. Developing countries from outside the subregion participating in such enterprises are, listed in the same order, Libyan Arab Jamahiriya, Kuwait, Morocco, Egypt, Algeria, Saudi Arabia, Tunisia, Iraq and India.

11. African subregional and regional organizations and enterprises also participate in the formation of multinational enterprises in the subregion. These include the African Development Bank (ADB), the Central Bank of West African States (BCEAO), the Economic Community of West Africa Fund, Air Afrique, ECOBANK and AFRICA RE, the African Reinsurance Corporation. The international and developed country organizations participating are for the most part organizations concerned with financing development, among them the World Bank, UNDP, the Commonwealth Development Corporation (CDC), the Caisse centrale de coopération économique (CCCE) and the German Development Corporation (DEG).

12. Four of the enterprises considered - AFRICA RE, Air Afrique, ASECNA, the agency for air safety in Africa and SHELTER AFRICA, the African housing corporation are regional while four - CIMAO, the West African Cement Company, CEB the Benin electricity community, ECOBANK and RAN the Abidjan-Niger railway authority - are subregional. None of the enterprises was set up under community law or by an existing regional or subregional organization. 10/

13. Most of the enterprises are in West, Central and East Africa. The non-African developing countries participating are for the most part Arab countries, with Asian countries in second place. No instance of a joint enterprise with Latin American participation has been reported.

14. The legal status of the enterprises examined varies considerably. 11/ Several were created by virtue of instruments of international public law (ASECNA, Air Afrique, AFRICA RE, CIMAO, CEB, RAN, SATAL, STAL PECHE and SHELTER AFRICA or by provisions of international law and domestic law (BALIMA, ECOBANK, SMDN) or by a contract under private law, as in the case of most of the banks considered.

15. Similarly the situation with regard to legal personality is far from uniform. In some cases the enterprise's corporate status derives from a provision of international law (Air Afrique, ASECNA, AFRICA RE, CIMAO, CEB, ECOBANK, RAN, SHELTER AFRICA and TANZAMA) - or from provisions of international and domestic law (BALIMA, SMDN). In other cases the enterprise's corporate status derives from provisions of municipal law. This is true of most of the banks considered.

16. The situation is equally varied in regard to the law applicable. Some enterprises - ASECNA, Air Afrique, CEB, CIMAO, AFRICA RE, RAN - apply international public law exclusively. Others apply international public law and municipal law (BALIMA, ECOBANK, SATAL, STAL PECHE, SMDN and TANZAMA) while others apply municipal law only (SFAC, SNIM and most of the banks considered).

17. The same lack of uniformity exists in regard to the privileges and immunities accorded to enterprises. Some (ASECNA, AFRICA RE, CEB, ECOBANK and RAN) are exempt from ordinary legal processes. Others are granted immunity in regard to measures affecting their property or assets and/or enjoy customs and fiscal privileges (Air Afrique, ASECNA, AFRICA RE, BALTEX, BALIMA, CEB, ECOBANK, RAN, STAL PECHE, SATAL).

18. With regard to structure, most of the enterprises considered are limited companies, either with State and private participation (SMDN, STAL PECHE, SATAL, SNIM, BTD, TANZAMA, CIMAO, Nigeria-Arab Bank, BALIMA, Libyan Arab-Uganda Bank) or with private participation only (ECOBANK, BMCI, Owena Bank, BANIS, the Banque sénégalo-tunisienne and the Banque islamique de Guinée). AFRICA RE and SHELTER AFRICA were organized as joint stock companies and Air Afrique is a limited public company with a unitary structure. Other ventures such as ASECNA, CEB and RAN were organized as public sector undertakings.

19. As regards internal structure, the enterprises considered generally have collegiate organs, such as a meeting of shareholders and a board of directors and a managing director. Air Afrique, ASECNA and CEB also have a supervisory authority.

20. In most cases the capital of enterprises consists of contributions from the countries of the subregion and other developing countries. The capital is generally contributed by only two countries, as in the case of RAN, SMDN, CEB, TANZAMA, SATAL, STAL PECHE, SFAC and most of the banks considered. In some instances the capital comes from more than two countries, as in the cases of Air Afrique, ASECNA, AFRICA RE, CIMAO, ECOBANK and SHELTER AFRICA.

21. Capital contributions are also made through international regional and subregional financial agencies. Thus the ECOWAS fund participates in ECOBANK and ADB participates in AFRICA RE and, with CDC, in SHELTER AFRICA. The Islamic Development Bank participates in SNIM, and BCEAO and BOAD participate in BTD and CNCA. In other cases capital is contributed through developing country multinational enterprises. For example the Arab Mining Company participates in SNIM while AFRICA RE participates in SHELTER AFRICA and ECOBANK participates in ECOBANK-Togo. Air Afrique participates in Air Senegal, Air Ivoire, Air Burkina Faso, Air Mauritanie and Air Centrafrique.

22. Developed countries are minority participants in the capital of the enterprises considered and capital is normally contributed through development financing agencies, as in the case of BTD in which CCCE and DEG participate and CNCA in which CCCE participates. Capital is also contributed through companies. The French Société pour le développement du transport aérien en Afrique (SODETRAF) participates in Air Afrique and the Origny Desvroise company participates in CIMAO.

23. The capital of the enterprises considered comes from both the public and private sectors. In the case of enterprises such as Air Afrique, AFRICA RE, ASECNA, BALIMA, BALTEX, CEB, RAN, TANZAMA, SATAL, STAL PECHE and the Libyan-Arab Uganda Bank, the public sector is the sole source of capital, whereas in CIMAO, SMDN, Nigeria-Arab Bank, Indo-Nigerian Bank, BMCI, SNIM, Owena Bank, Habib Bank, BTD, the Banque sénégalo-tunisienne and CNCA the

capital comes from both the public and the private sectors. In other cases, such as BANIS, BMCI and the Banque islamique de Guinée, the capital comes from the private sector.

24. The sectors of economic activity of multinational enterprises in the Sub-Saharan countries, ranked in order of importance, are mining and industry (CEB, CIMAO and SMDN), banking (ECOBANK, CNCA and BTD), transport (Air Afrique and RAN) and services (ASECNA and TANZAMA). In the case of enterprises involving developing countries from outside the subregion, the principal sector is banking (BANIS, Banque sénégalo-tunisienne, BALTEX, BMCI, BALIMA, Banque islamique de Guinée, Indo-Nigerian Bank, Libyan Arab-Uganda Bank, Nigeria-Arab Bank and Owena Bank), followed by industry (SATAL, STAL PECHE, SFAC and SNIM) and services (AFRICA RE and SHELTER AFRICA). Further information on the operations of the various enterprises will be found below in the chapters dealing with individual enterprises.

26. The memorandums of association of the various enterprises and their most recent reports are available from the UNCTAD Division for Economic Co-operation (Palais des Nations, Geneva).

MULTINATIONAL ENTERPRISES OF SUB-SAHARAN AFRICA

I. REGIE DE CHEMINS DE FER ABIDJAN-NIGER (RAN)

A. Member countries

27. Burkina Faso and Côte d'Ivoire.

B. Headquarters

28. B.P. 1394, Abidjan 01, Côte d'Ivoire; telex: 23564; Telephone: (225) 329624; Fax: (225) 323962; Mr. K.J. Budin, General Manager.

C. Background

29. In 1969 Burkino Faso and Côte d'Ivoire signed a convention establishing the Abidjan-Niger railway authority with a view to the joint operation of their railways. An accompanying annex sets out the financial and technical particulars.

D. Legal nature

30. The authority is an industrial and commercial organization with the legal status and financial autonomy necessary to the fulfilment of its functions. Under the convention all the real estate of the railway system and its services are placed in the care of the authority together with the equipment, movables, machinery and supplies. The authority is responsible for the management of various funds and monies, for contracts relating to the operation of the system and funds receivable or payable by it. Differences arising in connection with the application of the convention are to be referred to the CEAO Court of Arbitration.

E. Objectives

31. The authority's principal function is the management and operation of the Abidjan-Vridi and Abidjan-Ougadougou lines and the Azaguie-Aké-Béfia branch. The authority may also be made responsible for the construction of new lines and for the management or operation of transport enterprises or participation in them.

F. Organization

32. The authority is administered by an 18 member board of directors. The executive committee is headed by the chairman of the board of directors and comprises three members from each country. The board delegates to the committee power to discharge the board's functions, subject to the proviso that the committee must act within the framework of the programmes approved by the board and within the financial limits authorized by it. The general manager is generally responsible for executing the decisions of the board and committee and, within the limits of the powers accorded to him, for taking the necessary steps to ensure the proper operation of the authority. The general manager is the legal representative of the organization.

G. Resources

33. The authority's resources include a fund for the maintenance and replacement of works and related equipment, a reserve fund to cover the operating deficit, a working capital fund to cover current liabilities and build up the stocks required for operations and operating revenue. At the end of 1986 the authority's resources totalled 76 billion CFA francs. 12/

H. Operations

34. In late 1986 the system ran five passenger trains, the Gazelle express from Abidjan to Ougadougou, a limited stop train from Abidjan to Ougadougou, a stopping train from Abidjan to Bouaké, a stopping train from Abidjan to Dimbokro and a Bobo-Dioulasso Ougadougou stopping train. Each train made a round trip daily. There were also goods trains carrying oil. The system gave Burkina Faso access to the port of Abidjan, helping to overcome the disadvantages of its landlocked situation. It also provided Côte d'Ivoire with an important link between the hinterland and the port of Abidjan.

35. In recent years passenger traffic has dwindled, falling to 2 million passengers in 1986, the lowest level since 1966. In contrast, goods traffic grew in recent years, reaching 701,268 tons in 1986, an increase of 11 per cent over the previous year.

36. The authority had 38 locomotives in 1986, with a utilization rate of about 63 per cent. It also operated 16 autorails with a utilization rate of about 50 per cent. It owned 1,522 waggons at the end of 1986. At that time the authority operated 718 km of track with 35 stations in Côte d'Ivoire and 518 km of track with 21 stations in Burkina Faso.

37. The Block Dicel Abidjan works undertook locomotive repairs while the Abidjan depot was responsible for routine servicing and minor repairs. The Locodjoro passenger coach depot specialized in minor maintenance operations, major maintenance being undertaken by the rolling stock workshops at Abidjan. Major maintenance of goods waggons was carried out by the Bobo-Dioulasso waggon workshops.

38. The authority had 5,145 employees at the end of 1986, a slight decrease from the number in previous years. The authority's training service is available regionally and internationally. It provides courses for senior staff, staff training and in-service training, and correspondence courses.

39. In addition to operating the railway, the authority runs a hotel and tourist service, responsible for sleeping cars and restaurant cars and for the authority's hotels at Bouaké, Bobo-Dioulasso and Ougadougou and the RAN club at Abidjan. In 1986 hotel and tourism revenues were up 7 per cent over 1985.

40. The authority takes part in regional and subregional meetings such as CEAO meetings on transport. It is a member of the board of the African railway staff college at Brazzaville.

41. In 1986 the authority's investment expenditure totalled 664 million CFA francs, substantially less than the 1985 figure of 1.1 billion francs. The major items of expenditure were studies, the rehabilitation of tracks and civil engineering works, the construction of buildings and other installations and the purchase and rehabilitation of locomotives, rolling stock and furnishings.

42. The authority's operating loss in 1986 was 4.7 billion CFA francs compared with 2.5 billion the previous year. The loss was mainly due to the steep decline in passenger revenue, substantial staff costs and financial charges. An interim plan to cope with these difficulties was agreed in 1986 and provided for the separate management of the Côte d'Ivoire and Burkina Faso systems. In June 1988 the two Governments decided to divide the authority into two national companies. A joint commission is to make recommendations in the near future on arrangements for the liquidation of RAN.

II. AIR AFRIQUE

A. Member countries

43. Benin, Burkina Faso, Central African Republic, Chad, Congo, Côte d'Ivoire, Mauritania, Niger, Senegal and Togo. SODETFRAF is also a participant.

B. Headquarters

44. Main office: 011 BP 3927, Abidjan 01, Côte d'Ivoire; Telephone: 320900; Telex: 23785; Mr. I.R. Billeard, Chairman and Managing Director. The company also has offices in Bangui, Brazzaville, Cotonou, Dakar, Lomé, Niamey, Nouakchott, Ougadougou and N'Djamena and agencies in 20 countries.

C. Background

45. The idea of establishing a joint airline owned by the French-speaking African countries first came to the fore on the eve of independence and was discussed at the first Conference of the Heads of States of the French-speaking African countries in October 1960. The idea was accepted at the second Conference at Brazzaville in December of that year. In March 1961 a treaty on air transport in Africa and an annex containing the memorandum of association establishing Air Afrique as a company were approved by 12 African Governments. Three months later, in June, the company was set up. In March 1968 Togo became a participant. In 1971 Cameroon withdrew, followed in 1976 by Gabon.

D. Legal nature

46. Air Afrique is a joint airline set up in the form of a limited company under private law with a unitary structure. It possesses the broadest legal rights available to an artificial person under the laws of its member States. It has the nationality of each of the contracting States in its relations with those States and with third States. The company is governed by the international treaty of 1961, by the memorandum of association and,

subsidiarily, to the extent that they are consistent with the treaty and memorandum of association, by the principles common to the legislation of the States signatory to the constituent treaty.

47. The company's aircraft are registered in one of the member States and may be used freely and without discrimination to operate the company's services regardless of the country of registration.

48. The company is exempt from taxes and customs duties. In addition member States have granted the company the authorizations and facilities required to enable it to transfer funds and obtain currencies where such operations are necessary to the conduct of its business. Air Afrique has the status of a joint agency of OCAM, the former organization of French-speaking African countries.

E. Objectives

49. Air Afrique was established for the purpose of operating air services between the territories of member States and between those territories and the territories of non-member countries. Contracting States may also invite the company to operate internal air services.

F. Capital

50. The company's initial capital was 500 million CFA francs. 12/ In 1979 the Heads of State of the member countries decided to increase the capital to 8 billion francs to be paid up over a four-year period (1980-1984). The increase is not yet fully paid up. In 1987 the company's capital was 13,876 million francs. Seventy two per cent of the shares are equally divided between the member States, the remaining 28 per cent being allotted to SODETRAF, in which Air France and UTA are participants. If changes are made in the allotment of capital, these proportions must be maintained, both as regards the allotment to member States and the ratio between member States and SODETRAF. SODETRAF's shares may not be fewer than those of a member State.

G. Organization

51. The company's operations are supervised by a committee of ministers of transport comprising the ministers responsible for civil and commercial aviation. The committee formulates joint policy as well as air transport programmes. The company is represented in the committee in a consultative capacity.

52. The company is governed by a general meeting of shareholders, a board of directors and a managing director. The general meeting consists of all the shareholders, each of whom has a vote proportional to the number of shares held. The board of directors consists of a number of members proportional to the paid up capital of each shareholder, subject to the proviso that each State holds two seats. The chairman/managing director is elected by the board of directors. He is responsible for the company's overall management and is its legal representative.

H. Operations

53. Initially Air Afrique took over the DC 4 services operated by UTA and Air France. It later acquired medium and long range aircraft and operated services to other parts of Africa and Europe. In 1987 the company's fleet consisted of three DC 10-30s, three Airbus 300-R4s, one DC 8 -63 and a DE 8 -55F. The company has chartered five Boeing 727, two F 28 and one DC 10.

54. Dakar and Abidjan are the hubs of the Air Afrique network. One route runs from Dakar along the coast to Brazzaville and Kinshasa. A parallel route connects Bamako, Bobo-Dioulasso, Ougadougou and Niamey. The service from Niamey to N'Djamena has been withdrawn. From Abidjan routes go out to Dakar, Banko, Ougadougou and Niamey and on to Algiers, Oran, Europe and the rest of the world. The company operates more flights than any other between Africa and Europe. In addition to flights to 18 African countries the company flies to the United States, Brazil and the Middle East.

55. At 31 December 1986, the company had 4,990 ground staff, 155 flight crew personnel and 433 cabin staff. It carried 802,459 passengers in 1986, up 6 per cent on 1985. Freight fell 10 per cent, from 49,022 tons in 1985 to 43,146 tons in 1986.

56. The company operated at a profit during its first 20 years, with steadily increasing turnover, but earnings fell subsequently. In 1982 net earnings totalled 200 million CFA francs, in 1984 -4.5 billion, in 1984 50 million, in 1985 882 million and in 1986 -2,696 million. The financial difficulties stemmed from external factors as well as from weaknesses in the company. The external factors included soaring oil prices, international competition, the heavy devaluation of the currencies of some member countries and inflation. The internal factors included failure to collect payments due from member Governments, an unnecessarily large labour force and lax management resulting in waste. The company is taking action to correct these weaknesses.

57. Air Afrique is a shareholder in various airlines and tourist companies. It holds 14.5 per cent of the capital of TRANSGABON, 40 per cent of SONATRA (Air Senegal), 20 per cent of Air Ivoire, 22 per cent of Air Niger, 17 per cent of Air Burkina Faso, 20 per cent of Air Mauritania and 24 per cent of INTER-RCA (Air Centrafrique). In the case of tourist enterprises, it has a 52 per cent holding in Société HOTAFRIC, 37 per cent in Tchad-Tourisme, 37.5 per cent in Bangui-Tourisme, 46 per cent in the Société mauritanienne touristique et hôtelière, 5 per cent in Sénégal-Tours and 15 per cent of SORENTENE. It has financed safari camps at Maka Diama in Senegal, Keur Massène in Mauritania and Tillarbery in Niger and sports fishing centres at Dakar and Nouadhibou.

58. Air Afrique has permanent relations with various international regional and national bodies concerned with the regulation of air transport. They include ASECNA, the agency responsible for airport operation, supervision of air navigation standards and the maintenance of respect for air traffic regulations, national civil aviation authorities, IATA, the Association of African Airlines and ATAF, the association of air carriers in the franc area, which is concerned with harmonizing the activities of its members within the framework of the commercial regulations of the franc area.

III. NIGERIA-ARAB BANK LTD.

A. Member countries

59. Nigeria and Jordan.

B. Headquarters

60. 96/102 Broad Street, P.M. Box 12807, Lagos, Nigeria; Telex: 21973; Telephone: 661955 and 662098; Mr. Alhaji S.A.O. Sule, Managing Director.

C. Background

61. Nigeria-Arab Bank is a joint venture between the Federal Government of Nigeria and the Arab Bank Ltd., Amman, Jordan. It was incorporated and commenced operations in 1962 under the name of Arab Bank (Nigeria) Ltd. In 1980 the Government of Nigeria acquired 60 per cent of the capital and the Bank took its present name.

D. Legal nature

62. The Bank is a limited company established in accordance with Nigerian law. The activities of the company are those of a licensed commercial bank as authorized by the Central Bank of Nigeria and as stipulated in the Banking Act, 1969.

E. Objectives

63. The Bank is engaged in all aspects of commercial banking.

F. Capital

64. The initial capital was 500,000 naira. 13/ At the end of 1987 the authorized capital amounted to 20 million naira and the paid up capital to 15 million. Capital is represented by registered and ordinary shares of 1 naira each. The Federal Government of Nigeria and the Arab Bank Ltd. hold 60 per cent and 40 per cent of issued share capital, respectively. At the end of 1987 the shareholders' funds amounted to 28,149 529 naira.

G. Organization and management

65. The Bank's supreme organ is the general meeting of shareholders. The board of directors has 10 members; it appoints the managing director and decides on the Bank's policy. The managing director and chief executive is responsible for the management of the Bank and also is its legal representative.

H. Operations

66. Services of the Bank include all aspects of commercial banking. Total assets nearly doubled from 320.9 million naira in 1983 to 602 million in 1987. The assets for the intervening years stood at: 339.6 million naira in 1984; 382.6 million in 1985; and 457 million in 1986.

67. Profit after tax for the same period grew considerably; from 1.8 million naira in 1983 to 5.6 million in 1986 and 6.6 million in 1987. Dividend declared was 1 million naira in 1987 and 1986.

68. The total number of the Bank's operational branches as at the end of 1987 was 29, 16 rural and 13 urban branches. Staff members were 908 as at December 1987. Members of the staff have the benefit of training programmes, seminars and courses, organized by the Bank's training centre.

IV. SOCIETE MINIERE DU NIGER (SMDN) S.A.

A. Member countries

69. Benin and Niger.

B. Headquarters

70. B.P. 12,443 Niamey, Niger; Telephone: 722376; Mr. Sori Boubachar, Managing Director; field office: El Mecki/Agadez (Niger), B.P. 48; Telephone: 440028.

C. Background

71. The company was set up in 1964 to work the mines of Niger. Its memorandum of association was adopted by Benin and Niger in 1964.

D. Legal nature

72. SMDN is a limited company with public and private capital and is governed by the regulations of Niger concerning limited companies and by its memorandum of association. Any difference between shareholders or between shareholders and the company is subject to the jurisdiction of the competent courts at the company's headquarters.

E. Objectives

73. The company was established to survey, explore, obtain concessions for, and acquire mines or quarries in the territory of Niger. It is also authorized to sell and process the products of such mines or quarries, buy and process ores of all kinds, make use of any lands it might acquire, utilize electrical energy, acquire and install electrical plant and set up or take holdings in any companies extracting minerals.

F. Capital

74. The company's authorized capital is 36 million CFA francs. 12/ It is divided into 10,000 CFA franc shares, all of which are paid up. The shares are registered. Niger holds 71 per cent of the shares and Benin 10 per cent. The remaining shares are held by individuals.

G. Organization

75. The company has a 12-member board of directors, the members being named by the general meeting of shareholders, with the exception of the members representing the State of Niger who are named in accordance with the laws and

regulations in force. During his term of office, each elected member holds a share which provides surety for his acts as director. The share is inalienable.

76. The chairman of the board is chosen by the board. He serves as the company's managing director and represents the company. At the request of the chairman, the board may name a general manager and delegate to the chairman, and with his consent to the general manager, such powers as it considers appropriate within the limits of its authority. A consultative committee comprising the chairman of the board, the general manager and representatives of the employees has been established.

H. Operations

77. The company's main operations are mining the local deposits of cassiterite, the main tin ore, and processing and marketing it.

78. In the 1986/87 financial year ore output totalled 87 tons, 30 per cent less than in the previous year and roughly the same as output in 1982/83. The fall was mainly due to the mass exodus of workers prompted by the exhaustion of the known ore reserves capable of being mined manually. The fall was coupled with a decline in productivity resulting from the steady reduction of the company's reserves since the beginning of operations. It is expected that output will recover in coming years as machinery for extraction of the ore is made available.

79. In 1986/87, 87 tons of untreated ore were processed. Washing produced 78 tons of semi-finished ore from 83 tons of untreated ore, a recovery rate of 93.85 per cent. Manual sifting produced 5.7 tons. The mechanical sifter worked erratically, producing 785.9 kg of semi-finished ore recovered from tailings from washing. The output of semi-finished ore was thus 84.7 tons, a recovery rate of 93.27 per cent. During the same period, 93,829.6 kg of saleable ore was produced by screening 100,602 kg of semi-finished, a recovery rate of 93.27 per cent. The 89 per cent yield achieved in 1986/87 was slightly below the rate in previous years.

80. The buying price for ore is the most important element in production costs. Processing costs (washing, screening, magnetic screening) are on the whole still low.

81. With regard to sales, there was a steady increase in exports after 1980: 36 tons in 1980/81, 90 tons in 1981/82, 108 tons in 1982/83, 126 tons in 1984/85, 49 tons in 1985/86, and 180 tons in 1986/87. The tonnages mentioned were drawn from stocks as well as from production of saleable ore.

82. The company's permanent staff rose from 40 in 1983 to 48 in 1987 and remained virtually the same in later years. Compared with the number of temporary workers, the number of permanent staff in 1987 was 30 per cent lower than in 1986 and 50 per cent lower than in 1 35. In 1986/87 the average number of temporary workers per month was 457.

83. Export earnings in 1986/87 totalled 272 million CFA francs, more than in the previous year and somewhat lower than in 1984/85. There was a substantial decline in stocks of saleable ore after 1981, reflecting improved sales.

84. The company's turnover was 413 million CFA francs in 1982/83, 436 million in 1983/84, 96 million in 1984/85, 268 million in 1985/86 and 272 million in 1986/87. Earnings fell from 120 million CFA francs in 1984/85 to 12 million in 1985-1986 and -54 million in 1986/87.

85. Since 1985 the company has had to grapple with the slump in tin prices in extremely difficult economic circumstances. After plunging over 50 per cent, prices levelled out, the only changes being in response to fluctuations in the exchange rate of the main trading currency, the pound sterling. This situation is largely responsible for the company's operating losses in recent years despite its relatively low production costs.

V. BANQUE ARABE LIBYENNE-TOGOLAISE DE COMMERCE EXTERIEUR (BALTEX)

A. Member countries

86. Togo and Libyan Arab Jamahiriya.

B. Headquarters

87. B.P. 4874, Lomé, Togo; Telephone: 212829/212830; Telex: 5301 BALTEX TO; Mr. Wanis Mohamed Leogali, General Manager.

C. Legal nature

88. The Bank was set up in 1966 as a limited company under Togolese law.

D. Objectives

89. The Bank was established to carry out banking operations in Togoland and abroad on its own account, for the account of third parties or on joint account.

E. Capital

90. The Bank's capital is 1.6 million CFA francs, 50 per cent contributed by the Togolese Government and 50 per cent by the Libyan Arab Foreign Bank. At 30 September 1988 the Bank's resources totalled 7,118 million CFA francs.

F. Organization

91. The Bank's organs are a six-member board of directors, three representing the Libyan Arab Foreign Bank and three the Togolese Government; a three member executive board; and the management, headed by the general director, who is the Bank's legal representative.

G. Operations

92. The Bank's assets fell from 8,855 million CFA francs in 1986 to 7,011 million in 1987. Over the same period, advances and loans fell from 4,614 million CFA francs to 3,619 million. In the 1987 financial year the Bank set aside 1,046 million CFA francs to cover bad debts and general risks. This is the fundamental reason for the net loss of 1,108 million CFA francs in the 1987 financial year. 12/

VI. BANQUE TOGOLAISE DE DEVELOPPEMENT (BTD)

A. Members

93. Togo, BCEAO, BOAD, CCCE, DEG and a group of financial institutions comprising BIAO-Togo, CNSS and UTB.

B. Headquarters

94. Place de l'Indépendance, Lomé, Togo, B.P. 65; Telephone: 213641/213642; Telex: 5282; Mr. Napo Kakaye, General Manager.

C. Background

95. The Bank was created by law 66-20 of 12 December 1966 as an additional means of furthering the economic and social development of Togo. It came into being in June 1967. Its memorandum of association was amended in 1971, 1979 and 1986. The Bank's capital was contributed by the Togolese Government and two subregional financial institutions, BCEAO and BOAD.

D. Legal nature

96. The Bank was set up as a limited company with public and private sector participation under the laws and regulations in force in Togo and the Bank's memorandum of association.

E. Objective

97. The Bank was set up to carry out banking operations, including the support of priority enterprises under the nation's development programmes, technical assistance to enterprises, participation in companies, and the conduct of operations for its own account or for the account of the Government with a view to furthering the country's economic and social development.

F. Capital

98. The Bank's capital totals 1 billion CFA francs 12/ divided into 100,000 10,000 franc shares, all of which are paid up. The shareholders are: the Togolese Government 40 per cent, BCEAO 20 per cent, BOAD 10 per cent, CCCE 10 per cent, DEG 10 per cent, and the group of financial institutions (BIAO-Togo, CNSS and UTB) 10 per cent.

99. Under the reconstruction programme, it was decided to increase the Bank's capital to 2,065 million CFA francs, with a target of paid up capital of 1,500 million in 1988.

G. Organization

100. The general meeting of shareholders is the Bank's governing body. The Bank is administered by a nine-member board of directors and directed by a general manager appointed by the board of directors. The general manager is answerable to the board, which may delegate to him the powers needed for the management of the enterprise. The bank is under the administrative supervision

of the Minister of the Economy and Finance and the managerial oversight of the Minister for State Companies. It may seek the Government's endorsement for any person or corporate body applying for lines of credit.

H. Operations

101. At 31 December 1987 loans extended by the Bank totalled 7.4 billion CFA francs as against 6.5 billion in 1986, an increase of 7.82 per cent. The three main sectors in order of importance were small and medium enterprises (loans to craftsmen, manufacturers, traders and professionals), real estate and personal loans.

102. In recent years deposits have substantially increased, rising from 4.3 billion CFA francs in 1986 to 14.1 billion at 31 December 1987. The Bank's losses in the 1986/87 financial year amounted to 1.536 billion CFA francs, bringing the Bank's cumulative losses at 31 December 1987 to 2.248 billion, as against its paid up capital of 1 billion. This imbalance, the outcome of the risks taken in financing economic development, placed the Bank's continued existence in jeopardy under the relevant laws and bank regulations. An in-depth study was accordingly made by a Togolese ad hoc committee set up in response to UMOAs decision regarding the reconstruction of the development banks in the monetary zone which were as a group in violation of the banking regulations as a result of the erosion of their assets resulting from the poor quality of their loan portfolios. The ad hoc committee's findings were considered by the Bank and the latter took a number of decisions concerning remedial action. One of these called for an increase in the Bank's capital.

VII. COMMUNAUTE ELECTRIQUE DU BENIN (CEB)

A. Member countries

103. Benin and Togo.

B. Headquarters

104. B.P. 1368, Lomé, Togo; Mr. Boukary Alidou, General Manager; Regional Division: B.P. 537, Cotonou, Benin.

C. Background

105. The Electricity Community was organized by Benin and Togo as the sole supplier of electrical energy. The agreement setting up the Community was signed by the two Governments in 1968. The Benin-Togolese Electricity Code is annexed to the agreement.

D. Legal nature

106. The Community is an international public undertaking created by an international agreement. The purposes, organization and powers of the Community are defined by the Electricity Code, which also lays down joint regulations concerning electric energy.

107. The Community is considered to possess the nationality of each of the two States in its relations with those States and with third States. It enjoys the privileges and immunities of international organizations in the territories of the two States. The Community's assets may not be seized, confiscated, expropriated or otherwise seized by either of the two States in the absence of a court order against the Community.

108. Differences between the Community and the two Governments or between the two Governments are to be submitted to the Heads of State of the two countries. If no settlement can be found, the difference is to be referred to a court of arbitration.

E. Objectives

109. The Community's purposes are to undertake the monopoly production and supply of electricity from plant other than plant in service before 1969, the date of the entry into force of the Electricity Code; to construct electrical plant as the sole supplier of electricity in the territories of the two countries; the supply electrical energy; to develop and carry into effect electrification schemes; to distribute electrical energy; to provide initial and further training for staff; to enter into agreements with neighbouring countries for the purchase and sale of electricity.

F. Organization

110. The inter-State council consisting of four members from each country is the Community's principal organ. The Community is administered by the high authority composed of five senior officials from each State and two representatives of international organizations. Management is the responsibility of the general manager and his staff.

G. Capital

111. The Community has no capital of its own. Instead a working capital fund of 50 million CFA francs is provided by the Governments of Benin and Togo.

H. Operations

112. The Community was set up in 1970 and became operational in 1973 on completion of the Ghana-Togo-Benin interconnection. In 1969 the three countries signed an agreement under which electricity was to be supplied from the Akosombo hydroelectric plant in Ghana.

113. The Community's transmission network comprises a 161 kv line from Akosombo to Cotonou via Lomé; 161/29 kv transformer stations at Lomé and 161/15 kv stations at Cotonou; 63/20 kv substations at Anfoin in Togo and Lokosa in Benin; a 16 kv line linking the Lomé port station with the Lomé substation and a 20 kv Anfa-Hilla-Condji line to supply the Mono and Sazue river area.

114. The Community has carried out two studies with UNDP assistance, the first on the development of electricity generation and transmission facilities in the member countries and the supply of electricity from Ghana and Nigeria and

the second on hydroelectric development in the lower Mono river valley. Other studies undertaken by the Community include a preliminary study of the interconnection of the Nigeria, Benin, Togo and Ghana networks; a study of the flow of power on the Ghana-Togo-Benin line to determine the capacity of the various sections of the line and schemes for improvement; and a feasibility study of hydroelectric development at Adjarala on the Mono river.

115. The master plan prepared for the Community for high tension transmission lines to Benin and Togo includes the interconnection of the four countries (Nigeria, Benin, Togo and Ghana) and connections to the north of Benin and Togo based on the existing line on the coast and completed by horizontal connections in the centre and north of the two countries.

116. One current project is the completion of the Nangbeto hydroelectric plant and dam on the Mono river. The dam has been built under a scheme for the integrated development of the Mono valley which will permit the expansion of irrigation in the two countries. Feasibility studies were completed in 1976 and an international call for tenders was made in 1983. Construction began in 1984 and the dam became operational in November 1987. The output is 150 million kWh a year, which will cover 30 per cent of the two countries' electricity needs. The project cost 34 billion CFA francs. Benin and Togo invested 10 billion and the balance was provided by the World Bank, the Kuwait Fund, the African Development Bank, the Arab Bank for Economic Development in Africa (BADEA), the OPEC Fund, UNDP, France, the Federal Republic of Germany and Canada.

117. At the end of 1987, the Community was producing 458,313,457.5 kWh, 4.75 per cent more than a year earlier. Sales in 1987 totalled 8,849,549,304 CFA francs. Gross revenue was 1,775,970,520 CFA francs. The Community's balance was 55,629,320,306 CFA francs. The number of staff was 247.

VIII. TANZAMA PIPELINES LIMITED (TANZAMA)

A. Member countries

118. United Republic of Tanzania and Zambia.

B. Headquarters

119. Tanzama House, Buteko Avenue, P.O. Box 71651, Ndola, Zambia; Mr. Festus Sinzala, Managing Director.

C. Background

120. In 1966, the decision was taken to construct a pipeline from Dar-es-Salaam to Ndola. The Tanzama pipeline project was constructed on a top priority basis, in view of its importance to the Zambian economy. It was decided to construct an 8 inch-diameter pipeline, and the contract was awarded to SNAM PROGETTI of Italy as contractors, with Bechtel International Corporation as consultants. The total length of the pipeline is 1,705 km. Construction started in 1966 and the pipeline was commissioned in 1968. The total cost of the project was $20 million financed by an intergovernmental loan from the Italian Government. At the end of 1968 TANZAMA PIPELINES LIMITED was formed to operate the pipeline.

D. Legal nature

121. The company is jointly owned by the Governments of Zambia and the United Republic of Tanzania. The established agreement granted the company full juridical personality and, in particlar, full capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings.

E. Objectives

122. The main objective of the company is to operate and to maintain the piepline from Dar-es-Salaam to Ndola.

F. Capital

123. The authorized capital is 9 million kwacha, 14/ Zambia Industrial and Mining Corporation (ZIMCO) owning 66.66 per cent and the Tanzanian Government the remaining 33.33 per cent. Reserves of the company are 41.6 million kwacha.

G. Organization and management

124. The board of directors is responsible for the management of the business of the company. The board is comprised of seven directors. The chief executive officer of the company is the managing director. He handles the business of the company under the direction of the board of directors.

H. Activities

125. The main activity of the company is to operate and maintain the pipeline from Dar-es-Salaam to Ndola. The quantity of crude oil transported over the last five years was: 672,000 metric tonnes in 1984; 598,000 metric tonnes in 1985; 538,000 metric tonnes in 1986; 625,000 metric tonnes in 1987; and 634,000 metric tonnes in 1988. The profit/(losses) over the last five years was as follows: for 1984 1,365 million kwacha; for 1985 3,152 million; for 1986 19,888 million; for 1987 11,153 million; and for 1988 28,888 million.

126. The pipeline was pumping finished products until 1973 when the Ideni Refinery was commissioned. Thereafter, the pipeline has been pumping spiked crude oil. In the same year, TANZAMA increased the pumping capacity (throughput) from 115 to 160 m^3 per hour by the construction of loops of 770 km of 12-inch pipeline and the installation of two pumping stations. This was financed by the Italian Government's loan of 12 billion Italian lire (approximately $13.2 million). This loan has since been repaid through the Ministry of Finance.

127. In 1981, TANZAMA shifted the Dar-es-Salaam pumping station to Kigamboni Tank Farm and re-routed the 8-inch pipeline 28 km in order to circumvent the city of Dar-es-Salaam, and reduce the risks of regular shutdowns of the pipeline. The project was financed by the company.

128. In 1984, the main engines of the company were converted from gas oil to crude oil tapped from the crude oil being transported. This was done to reduce running costs.

129. Owing to serious leaks in the Chalinze area over the years, the Company had to have the pigging and gauging of the entire pipeline done to locate the areas which were bad. This exercise was carried out in 1985 and 1986.

130. Work has already started on the rehabilitation of the pipeline. The first phase which was financed by the Italian Government was completed and commissioned in 1988. The second and third phases are expected to begin in August 1989.

IX. AGENCE POUR LA SECURITE DE LA NAVIGATION AERIENNE EN AFRIQUE ET MADAGASCAR (ASECNA)

A. Member countries

131. Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, France, Gabon, Equatorial Guinea (subject to ratification), Madagascar, Mali, Mauritania, Niger, Senegal, and Togo.

B. Headquarters

132. ASECNA, 32-34 avenue Jean Jaures, B.P. 3144, Dakar, Senegal; Telephone: 231040/224070; Telex: 680 SG; Director-General: Mr. Maurice Rajaofetra; Secretary-General: Mr. O.I. Oubandawaki. The Agency has offices in the 15 member countries.

C. Background

133. When the French-speaking African States became independent in 1959, air safety was the responsibility of the French staff of the secretariat general of civil aviation. With the entry into service at that time of four-engined jets flying twice as high and twice as fast as the aircraft then in service, an array of innovations was urgently needed in the fields of telecommunications, landing systems, radio-navigation and meteorology and airport facilities. The African States accordingly decided to regroup their air space to enhance the safety of air navigation. To this end, a Convention providing for the establishment of ASECNA was signed by the French-speaking States and France at St. Louis, Senegal, in 1969. To take into account the Agency's growth this Convention was replaced by the Dakar Convention of 25 October 1974.

D. Legal nature

134. ASECNA was set up by an international convention, the Dakar Convention of 25 October 1974, as a public agency having the rights and duties of a legal person and the financial independence needed for the discharge of its functions. The Agency's statutes are annexed to the Convention, together with details of its functions.

135. The Agency is exempted from customs and similar charges and not subject to any prohibition or restriction of imports or exports in respect of products and goods covered by its specified functions. Differences between signatory States regarding the interpretation of the Convention and its annexes which cannot be settled by consultation are to be submitted to arbitration.

E. Objectives

136. The Agency's purpose is to ensure the safety of air traffic through the design, construction, management and maintenance of installations and services for en route air navigation and terminal aids at the airports of States members (community mission). The Agency is also responsible for furnishing the air traffic control services and flight meteorological services entrusted to it by individual member States (national missions).

F. Structure

137. The Agency is subject to the supervision of the committee of ministers of member States responsible for civil aviation, which defines the Agency's general policy. The Agency's executive board, whose members are State appointed, draws up the annual budget and equipment programmes and determines the action needed for the operation of the Agency. These measures are implemented by the Director-General with the assistance of the technical directors, the director of the liaison office in Paris and the specialized services headed by a representative of the Agency in each country. The Secretary-General is responsible for general co-ordination of the Agency and is the Director-General's deputy.

G. Functions

138. The Agency's functions are of two kinds, the "community" functions assigned to it by its statutes, and the "national missions" entrusted to it by member States.

139. In fulfilment of its community functions, the Agency is responsible for the design, construction and management of installations and services for the transmission of technical and traffic messages, the guidance of aircraft, air traffic control, en route flight information and the transmission of meteorological information.

140. Its community missions also embrace terminal aids to navigation at the airports of member countries, in particular approach control, airport control, the guidance of aircraft while taxiing, visual and radio aids for approach and landing, radio transmissions and meteorological forecasts, flight information and firefighting.

141. In addition to its community functions, the Agency may be entrusted by member States with the management or maintenance of any aviation or meteorological installations. It may also be asked to undertake studies and supervise works or the maintenance of airports or technical installations. The Agency currently manages the national operations of nine member States at their request.

142. The Agency has authority to enter into contracts with non-member States wishing to make use of its services.

H. Financial assistance

143. The Agency's revenues at 31 December 1986 were 85.1 billion CFA francs, 12/ up 9.7 per cent over 1985. The 1986 operating budget was 20.8 billion CFA francs and the investment budget 2.2 billion. The 1982 investment programme, totalling 25 billion CFA francs, was financed with external assistance and loans secured by the Agency's investment fund.

144. The Agency's principal sources of revenue are aviation fees (74.9 per cent), State contributions (16.5 per cent), the investment fund and the Agency's own resources (8.6 per cent). Funds for community functions fell from 34.5 billion CFA francs in 1984 to 30 billion in 1986. Over the same period, expenditure rose from 24.7 billion CFA francs to 29.4 billion. In the case of national functions, revenue rose from 8 billion CFA francs in 1984 to 10 billion in 1986. Expenditures climbed from 7.9 billion to 9 billion CFA francs over the same period.

I. Operations

145. The Agency's main fields of activity are infrastructure, the operation of meteorological installations, training and services to non-member countries.

Infrastructure activities include:

(a) Plans for and construction of airports for four-motor jets (runways, taxiways and apron, lighting, navigation and meteorological installations, passenger facilities, freight hangars) at Bangui M'Poko, Taomasina, Iviato, Banako, Bamalo/Senou, Franceville, Yamassoukro, Garoua and Niamtougou;

(b) Modification of the Abidjan, Dakar, Ougadougou, Bamako, Niamey, Douala, Cotonou and Lomé airports to accommodate Boeing 747s;

(c) Reinforcement and enlargement of the runways at Dakar, Niamey, Ougadougou, Abidjan, Libreville, Brazzaville, Cotonou, Lomé and Yaoundé airports;

(d) Plans for and construction of passenger terminals and airports of Abidjan, Dakar, Yaoundé, Douala, Niamey, N'Djamena, Libreville, Cotonou, Lomé, Ougadougou, Nouakchott, and Tananarive;

(e) Freight facilities at Douala, Brazzaville, Cotonou, Libreville, Abidjan, Ougadougou, Bamako, Tananarive, Nouakchott, Niamey, Dakar and N'Djamena airports.

146. Projects completed in the operational (air navigation) sector include:

(a) The fixed aeronautical telecommunications network, involving the commissioning of 30 radio teletype links and 7 automatic and semi-automatic transmission centres and the construction and remodelling of 14 transmission centres, 14 receiving stations, 13 BLU networks in member countries and 7 automatic transmission centres;

(b) En route radio electric flight aids, involving the installation of 17 VORs and the re-equipment of 5 flight information centres;

(c) Landing aids, involving the construction or updating of 15 technical blocks, the installation of 15 ILS, the remodelling of marker lights and installation of VASIS and approach lines;

(d) Miscellaneous equipment, involving the updating of electric generating facilities and transmission lines and buildings for safety and firefighting.

147. The meteorological installations for increasing flight safety include 22 radio and radar wind stations, 5 weather watch centres and an area weather forecasting centre at Dakar.

148. There are currently four inter-state civil aviation and meteorological schools: the African meteorological and civil aviation school at Niamey, which trains higher level technicians and engineers; the regional air navigation school and the regional meteorological school at Dakar, which train assistants; and the regional fire-fighting school at Douala which trains firefighting and rescue technicians.

149. The Agency owns a Corvette aircraft for the flight calibration of air navigation aids. The aircraft provides services for many non-member States, particularly in East and North Africa.

150. The airspace for which the Agency is responsible extends over 15,220,000 square kilometres. The importance of the air traffic benefiting from the Agency's services in 1986 can be appreciated from the following statistics: (a) number of aircraft movements: 174,000; (b) number of passengers: 5,130,000; (c) air freight: 183,000 tons. In 1986 the Agency had a staff of 5,705, 1,294 of whom were in supervisory categories. The airports where the Agency is responsible for the planning, construction and management of installations and services are Douala, Garoua, Bangui, Brazzaville, Pointe-Noire, Abidjan, Cotonou, Libreville, Port-Gentil, Ougadougou, Bobo-Dioulasso, Nouakchott, Nouadhibou, Taomasina, Iviato, Mahajanga, Bamako, Gao, Niamey, Dakar, N'Djamena, Shar and Lomé.

151. Between 1960 and 1982 the air traffic of member countries grew steadily at a rate of about 7 per cent a year, including aircraft movements, the number of passengers and tonnage of air freight. Between 1982 and 1984 there was a substantial fall in the number of commercial flights and in freight traffic - approximately 5 per cent a year - and a roughly 2 per cent a year decline in the number of passengers. In 1985 traffic improved by roughly 5 per cent but the improvement did not continue into 1986. Traffic fell again in 1987. The decline may jeopardize the future of the Agency since 75 per cent of its resources come from aviation fees.

X. BANQUE MAURITANIENNE POUR LE COMMERCE INTERNATIONAL (BMCI)

A. Member countries

152. Mauritania and Kuwait (and Egypt until 1984).

B. Headquarters

153. B.P. 622, Nouakchott, Mauritania; Telephone: 52469; Telex: 543 A MTN and 543 B MTN; Mr. Sidi Mohamed Abass, Chairman, Managing Director.

C. Background

154. The Bank was established in 1974 as the Banque arabe africaine mauritanienne (BAAM) with the participation of the Banque centrale de Mauritanie and the Arab African International Bank, in which Egypt and Kuwait were majority shareholders. In 1984 a special meeting of shareholders decided to increase the Bank's capital and to encourage participation by Mauritanian private investors through the sale of some of the Banque centrale de Mauritanie's holding. Two years later the Arab African International Bank sold its holding in the Bank to private Mauritanian investors. This major change marked the first return to the private sector of a quasi-public industrial or commercial institution.

D. Legal nature

155. The Bank is a limited company under Mauritanian law. It is governed by the Mauritanian law on limited companies, Ordinance 88.050/CMSN of 1984 concerning the organization of the banking profession and related activities, and by its statute. Any differences between the shareholders and the Bank or between the shareholders are to be decided in accordance with Mauritanian law by the competent courts in Nouakchott.

E. Objectives

156. The Bank's purpose is to undertake banking operations, in other words to undertake for its own account or for the account of others or in partnership in Mauritania or abroad, any financial, commercial, real estate or securities transactions of interest to the Bank or relating to it.

F. Capital

157. The Bank's initial capital was 150 million ouguiya, 15/ 51 per cent held by the Banque centrale de Mauritanie and 49 per cent by the Arab African International Bank. In 1984 the Bank's capital was increased to 500 million ouguiya, 50 per cent held by the Banque centrale de Mauritanie and Mauritanian private investors and 50 per cent by the Arab African International Bank. In 1986 the latter transferred its holding to private investors. At 31 December 1987 the Bank's paid-up capital totalled 500 million ouguiya, divided into 50,000 registered shares of 10,000 ouguiya each. Ten per cent of the shares were held by the Banque centrale mauritanienne and 90 per cent by private Kuwaiti and Mauritanian investors.

G. Orgnization

158. A six-member board of directors determines the Bank's general policies. The board's decisions are implemented and monitored by a four member executive committee. The managing director manages the Bank under the powers conferred upon him by the board.

H. Operations

159. The Bank's principal activities are banking operations, national and international, and the provision of banking services. The services include current accounts, fixed term deposits, deposits subject to notice of

withdrawal and savings accounts; loans and advances discounting and cashing of commercial papers; issuance of letters of guarantee; currency operations; letters of credit; and execution of payment orders abroad in conformity with the exchange regulations. The Bank gives special emphasis to operations conducive to the expansion of external trade and the fishing sector.

160. The Bank's assets rose from 8,035 million ouguiya in 1986 to 8,408 million in 1987. Over the same period the volume of short-term credit fell from 3,504 to 3,445 million ouguiya, a 1.62 per cent decline. Documentary credit rose from 765 to 1,080 million, a 41 per cent increase. Between 1986 and 1987 net assets more than doubled, from 46,403 million to 109,885 million ouguiya, a 136 per cent increase. The value of guarantees and endorsements increased 20.7 per cent, from 1,593 million in 1986 to 1,923 million in 1987.

161. The steps taken to reduce costs in recent years have been effective, costs having been reduced by over 50 per cent in 1986 and 20 per cent in 1987. The Bank's decision not to pay dividends during the next few years and to credit profits to the Bank's reserves or to provision for frozen or doubtful loans was taken as part of a programme to strengthen the Bank's finances. The Bank's profits in 1987 totalled 87 million ouguiya, of which 81 million was applied to deficits from previous years and 6 million was credited to reserves.

XI. SOCIETE DES CIMENTS DE L'AFRIQUE DE L'OUEST (CIMAO)

A. Member countries

162. Côte d'Ivoire, Togo and Ghana.

B. Headquarters

163. B.P. 1365, Lomé, Togo; Mr. Katamna, General Manager; Telephone: 2268; Telex: CIMAO 5302.

C. Background

164. CIMAO was set up in 1969 by Togo and Côte d'Ivoire. Its establishment was prompted by the discovery of a major deposit of limestone, the main raw material for the manufacture of clinker, in the sedimentary deposit in southern Togo. Ghana joined the company in 1972.

165. With a view to promoting economic relations between the countries of West Africa and in the light of studies of the development of the subregion's raw materials, the three countries signed a treaty in December 1975 for the establishment of a regional cement complex in West Africa. Two annexes to the 1975 treaty were signed in 1976. One deals with the marketing of clinker and the second with the mutual assurances given by the participating States and the determination of their rights and obligations. The company's memorandum of association was amended in 1976.

D. Legal nature

166. CIMAO is a limited company with public and private participation. It is governed by its statute and by the 1975 treaty and annexes and subsidiarily by the law of the headquarters State, in so far as that law is not superseded by the treaty or the statute. Under a protocol to the 1975 treaty the member States undertake to buy all CIMAO's output. A second protocol records the mutual assurances given by the member States and their rights and obligations.

E. Objectives

167. The company's purpose is to work quarries, to manufacture and sell clinker and cement and to set up and participate in enterprises related to these objectives.

F. Organization

168. The company has a general meeting of shareholders, an 11-member board of directors responsible for its administration, and a Director-General responsible for its management. He is assisted by a three-member technical committee.

G. Capital

169. The company's capital totals 25.3 billion CFA francs divided into 2,530,000 shares of 10,000 francs each. The capital is held by the three partner Governments, Côte d'Ivoire, Ghana and Togo, among whom 92 per cent of the shares are equally divided. The remaining 8 per cent is equally divided between three private or semi-public companies, Ghana Cement Works, Société Origny Desvroise of France and the Société des ciments d'Abidjan.

H. Operations

170. The CIMAO complex is the largest regional industrial project in West Africa. It has two components whose operations are closely linked. The first consists of the Tabligbo clinker works, 65 km from Lomé. Inaugurated in 1980 with an initial capacity of 1.2 million tons of clinker (1982), the works' output can be expanded to 1.8 million tons with the introduction of a second line and eventually to 2.4 million tons. The complex also comprises a series of ancillary facilities, including a storage shed for raw materials with 22,650 square metres of floor space, two 3,000-ton silos and four 4,000-ton storage silos, two four-stage Dopol preheaters, a 20,000-ton metal storage silo for clinker, a works warehouse, wagon loading facilities, offices, living quarters and a social building.

171. CIMAO operates one of the largest clinker works in West Africa. From 468,000 ton in 1980, output rose to a million tons in 1982 and 1.2 million in 1984. The entire output goes to cement works in Ghana, Togo, and Côte d'Ivoire. Raw material is obtained from the Sikakodji limestone deposits in Togo, with estimated reserves of 150 million tons. The Akossomo dam in Ghana provides electricity and fuel oil comes from the Lomé refinery. CIMAO's turnover rose from 17 million CFA francs in 1982 to 30 million in 1984 and 34 million in 1985. The company has 606 African employees and a managerial and supervisory staff of 127.

172. Current projects include the construction of a terminal at the port of Lomé to store and handle some of the clinker destined for Ghana and Côte d'Ivoire, construction of a rail junction and improvement of the existing tracks, construction of employee housing, and erection of a high-tension line and substation to supply the clinker works.

173. At 31 December 1985 a total of 64 billion CFA francs 12/ had been invested. Of this amount, the largest contribution, 19.3 billion came from the company's capital, 353 million from Togo, 10 billion from the World Bank, 3.7 billion from ADB, 2.1 billion from BADEA, 5.8 billion from the EIB, 2.3 billion from CCCE, 6.6 billion from KFW, 5.2 billion from FED, 2.6 billion from ACDI and 10.3 billion in the form of supplier credits.

174. A reconstruction programme costing 14.6 billion CFA francs was agreed in 1983 with a view to rapidly achieving better utilization of CIMAO's capacity. The sources of funds are 2,750 million CFA francs in the form of medium-term loans from Togolese banks, a 6 billion increase of registered capital and 5.8 billion in advances from shareholders. In addition CCCE made two 1,575 million CFA franc loans to Côte d'Ivoire and two 600 million CFA franc loans to Togo. The International Development Association (IDA) lent $9.3 million to Ghana and $5.7 million to Togo, and EIB lent $7 million.

175. In recent years CIMAO has experienced major financial difficulties, mainly because of higher clinker production costs than expected and low clinker prices on the international market. In addition to the reconstruction programme, CIMAO has drawn up a programme envisaging a temporary increase in clinker prices, managerial reforms and cuts in the company's costs.

XII. SOCIETE AFRICAINE DE REASSURANCE (AFRICA-RE)

A. Members

176. Algeria, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Libyan Arab Jamahiriya, Madagascar, Mali, Mauritius, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Rwanda, Togo, Tunisia, Uganda, Zaire and Zambia. ADB is also a participant.

B. Headquarters

177. Reinsurance House, 46, Marina, P.M.B. 12765, Lagos, Nigeria; Telephone: 66382/663323/663441, Telex: 22647 AFRICA RE; Mr. Eyessus W. Zafo, Managing Director and Chief Executive; Mr. Bakary Kamara, General Secretary; Regional offices: Tour Atlas, Plaza Zallaqa, B.P. 7556, Casablanca, Morocco; Telephone: 309111/308585; Telex: 28079 M; Reinsurance Plaza, P.O. Box 62328, Nairobi, Kenya; Telephone: 330630/330637/8/9; Telex: 23289 AFRICA RE: residence Azur, 18 Avenue Dr. Crozet, B.P. 1623, Abidjan, Côte d'Ivoire; Telephone: 331995/331050; Telex: 22345 AFRE CI.

C. Background

178. AFRICA RE is an outcome of the African Governments' drive for economic co-operation and is intended to encourage fuller utilization of the region's reinsurance capacity through combination of the organization's reinsurance

capacity with that of existing national reinsurance corporations. Following the first African insurance conference held in Mauritius in 1972 and preparatory work by ADB, a proposal for the establishment of an African reinsurance corporation was recommended by the first African ministerial meeting on co-operation, development and economic independence held in Côte d'Ivoire in May 1973 under the auspices of OAU, ADB and the Economic Commission for Africa. The recommendation was endorsed by the Heads of State and Government of OAU at the organization's tenth anniversary meeting.

180. An initial draft agreement for the establishment of a reinsurance organization was prepared by a co-ordination committee early in 1975. A second version was completed later in the year and in February 1976 an agreement providing for the establishment of a reinsurance corporation was signed by 32 African Governments. The agreement entered into force in January 1977. The organization is the first institution of its kind in the developing countries. Its headquarters at Lagos, Nigeria, was opened for business on 1 January 1978. AFRICA RE now has 38 shareholders - 38 African Governments and ADB - and 3 regional offices, in Casablanca, Nairobi and Abidjan.

D. Legal nature

181. Under the agreement AFRICA RE has full legal personality in the territory of each State. In particular it has the capacity to enter into contracts and to acquire and alienate real and moveable property. Although active in reinsurance operations, AFRICA RE has the status of an intergovernmental organization, including the necessary immunities, concessions, privileges and exemption of its assets from restrictions. To facilitate business operations, the organization is bound by the customary practices and legal procedures normally followed in this field in accordance with the terms of contracts. In 1977 the organization signed a headquarters agreement with Nigeria, the host country. Under this agreement the status and privileges of AFRICA RE in Nigeria are analogous to those of other international organizations and its officials possess the status and diplomatic immunities appropriate to their rank.

E. Objective

182. The organization's objective is to promote the development of national insurance and reinsurance operations in the African countries, to encourage the enhancement of their capacity to write and retain insurance at the regional, subregional and national levels, and to sustain African economic development. AFRICA RE sees itself as a professional reinsurer operating as a business undertaking the object being to ensure profitability in financial terms and to demonstrate financial competence.

F. Functions

183. The organization's functions include the following: (a) the conduct of reinsurance operations in respect of all or some categories of insurance in Africa and elsewhere; (b) the organization and management of pools for the various categories of risk within the African insurance and reinsurance market and for its benefit; (c) assistance in the establishment of regional,

subregional and national insurance and reinsurance institutions and the provision of technical assistance to African insurance and reinsurance institutions; (d) investment of its funds in Africa to promote African economic development, with the proviso that short-term investments may be made outside Africa to meet technical and/or operational requirements; (e) provision of technical assistance to African countries in matters of insurance and reinsurance whenever it can do so; (f) the encouragement of contacts and co-operation between African insurance and reinsurance institutions; (g) operations of all kinds other than the writing of direct insurance, and services conducive to the achievement of its aims.

184. In the exercise of these functions, the organization co-operates with regional and national insurance, reinsurance and development institutions in Africa as well as with other international organizations having similar aims.

185. Under the agreement the organization is empowered to exercise its functions in the territories of member States. States members undertake to guarantee that all insurance and reinsurance institutions operating in their territory will transfer to the organization not less than 5 per cent on each of their reinsurance contracts, existing and future, including life contracts, on the terms extended to the most favoured reinsurers.

G. Organization

186. The meeting of shareholders is the organization's governing body. It is made up of the representatives of member countries and of ADB. Each shareholder has one vote for each paid-up share. The nine-member board of directors comprises one member named by ADB and eight elected by the general meeting. The chief executive is named by the board of directors and is the organization's legal representative. The board also appoints the deputy directors-general and the secretary-general.

H. Capital

187. The organization's authorized capital is $15 million, divided into 1,500 shares of $10,000 each. The initial issued capital was $10 million. Shares were limited to a maximum of 60 for each participant other than ADB, some shares having been set aside for other African Governments acceding to the agreement. Fifty per cent of the capital issued was paid up initially, the remaining 50 per cent being paid up from profits in accordance with the general meeting's decision in June 1988 in order to strengthen the organization's financial base. At 31 December 1988 its paid-up capital totalled $9.6 million while its own funds stood at $13,359,000.

I. Operations

188. The organization has divided African insurance and reinsurance markets into four operating areas, English-speaking West Africa, French- and Portuguese-speaking Southern and Central Africa, North Africa and East and Southern Africa. The areas are administered from the head office and from the Abidjan, Casablanca and Nairobi offices. Acceptances from other regions are handled at headquarters. The types of insurance written are fire and accident, marine and aviation and life. In recent years additional shares underwritten increased from 5 per cent of aggregate revenue in 1985 to 25 per cent in 1988.

189. Premium revenues increased steadily until 1984, when they peaked at $47.09 million. Profits did not, however, grow correspondingly. Following a review of the organization in 1988 and its future development, a number of changes were introduced to restructure the organization's portfolio, reduce exposure to exchange losses, hold down management costs and increase profitability. One immediate effect of the changes was a substantial fall in dollar premium revenue, which fell to $31 million by 31 December 1987. The decision to withdraw temporarily from the non-African market, the steep depreciation of non-dollar premium payments against the dollar, the organization's unit of account, and the decision to keep accounts in the currency of payment until the balance sheet was compiled all had an impact on turnover. At the same time management costs were reduced from $3.14 million in 1984 to $2.7 million in 1987.

190. With regard to the breakdown of premium revenue by operating area, North Africa produced 33.42 per cent of the total, French- and Portuguese-speaking West and Central Africa 23.67 per cent, East and Southern Africa 26.06 per cent and English-speaking West Africa 14.45 per cent.

191. Fire and accident premiums fell from $24.5 million in 1986 to $21.5 million in 1987, 67.7 per cent of all premiums received, while marine and aviation premiums slightly increased, rising from 26.5 per cent in 1986 to 29.8 per cent in 1987. Life insurance made only a small contribution, 2 per cent in 1986 and 2.4 per cent in 1987. The outturn at end 1987 demonstrated the validity of the policy changes made. The balance sheet at 31 December 1987 (closure of the 1985 premium year) recorded a profit of $5.6 million.

192. In addition to its contribution to Africa's insurance capability, AFRICA RE is a founder member of SHELTER AFRICA, a home-building organization established by the African Governments.

193. AFRICA RE manages the African aviation pool established by the members of the African insurance organization. The pool which has been in operation since December 1983, has 30 member companies. Its turnover for 1986 was $772,212.52. Premiums for 1987 were estimated to total $850,000.

194. At the fifteenth African insurance conference held at Harare in 1988, AFRICA RE was invited to organize the second meeting of African reinsurers in June 1989 and was elected a member of the technical and management committee of the African oil and fuel risks pool, which became operational in 1989. It was also made a member of the technical and management committee for the projected African reinsurance system.

XIII. SOCIETE AGRICOLE TOGOLAISE-ARABE LIBYENNE (SATAL)

A. Member countries

195. Togo and Libyan Arab Jamahiriya.

B. Headquarters

196. B.P. 3554, Lomé, Togo; Mr. Abererrazag Ramadan, Managing Director.

C. Background

197. In conformity with the objectives of the agreement between them on economic and technical co-operation, the two Governments signed an agreement in January 1977 for the establishment of SATAL. The company's memorandum of association is annexed to the agreement.

D. Legal nature

198. SATAL is a limited company with public and private sector participation created by an international agreement. Under the agreement the company has full and complete legal personality in the territories of the two States. It enjoys the advantages granted under Togolese law and is exempt from all taxation during the first five years. Shares and income from them are exempt from taxes and analogous charges under the Togolese investment code.

199. The company is governed by its memorandum of association and the agreement establishing it and subsidiarily by Togolese law.

E. Objectives

200. The company's purposes include the preparation and execution of agricultural projects for the development of agricultural production including stock farming and the processing and marketing of agricultural products.

F. Capital

201. The company has a registered capital of $6 million, divided into 60,000 shares of $100. Each of the two Governments holds 50 per cent of the capital.

G. Organization

202. The company is governed by a six-member board of directors, consisting of three representatives of the Libyan Arab Jamahiriya, one of whom is chairman of the board, and three representatives of Togo, one of whom is managing director of the company.

H. Operations

203. The company began operations in 1980. These relate to the production and marketing of crops and livestock.

204. Maize growing is the oldest and most important of the crop growing projects. In 1982/83 an area of 82 hectares was sown, 51 per cent more than in 1980/81, and more than 205 tons of maize was harvested. In recent years maize production, particularly in the off-seasons, has been small because of the almost complete lack of rain.

205. A trial market gardening operation was begun at Badja in 1981. A number of market garden crops were grown on an area of 1.5 hectares in the dry season, which extends from mid-September to April. The trials showed that some vegetables in great demand, such as tomatoes, do not do well in the dry

season. Others such as lettuce and egg-plant grow well but sell badly. On the other hand, peppers of various kinds prosper and have a ready sale. SATAL accepted these findings and intends to make a major effort in the dry season, bearing in mind that market gardening is risky because of the unstable demand.

206. A modern poultry farm has been set up at Lomé, producing cahir chickens, table eggs and guinea fowl. Production began in 1981 and is the largest of SATAL's operations. Poultry production increased steadily, but the company has been obliged to cut back production because of sales difficulties, saturated demand and competition. The company has taken a number of corrective measures, including the diversification of production and new price, promotion and advertising policies. A drive is being made to find markets abroad, notably in Gabon, Nigeria, Benin and Ghana. In addition the Government has banned imports of frozen chicken.

207. Besides selling its own products, the company markets veterinary products and poultry feed and rents bulldozers, tractors and refrigerated lorries to Benin and Nigeria.

208. The company has 41 employees, including managerial and technical staff and workmen.

XIV. SOCIETE TOGOLAISE-ARABE LIBYENNE DE PECHE (STAL PECHE)

A. Member countries

209. Togo and Libyan Arab Jamahiriya.

B. Headquarters

210. B.P. 3554, Lomé (Togo); Mr. Ahmeh Sibai, Managing Director.

C. Background

211. In furtherance of the Convention on Economic and Technical Co-operation concluded by the two countries in 1973, the two Governments signed an agreement in January 1977 for the establishment of a joint fishing company, the Société togolaise-arabe libyenne de peche (STAL PECHE). The company's statute was annexed to the agreement. The company was set up in December 1977.

D. Legal nature

212. STAL PECHE is a limited company created by an international agreement. It has full legal personality. It enjoys the advantages accorded by Togolese law. In particular it is exempt from all taxes and analogous charges in all their forms. The company's shares and income from them enjoy the same exemption.

E. Objectives

213. The company's objective is to make use of the non-mineral wealth of the sea and to process and market the products.

F. Capital

214. The company's registered capital is 75 million CFA francs. 12/ Each Government holds 50 per cent of the total.

G. Organization

215. The company has a general meeting of shareholders and a six-member board of directors, consisting of three representatives of the Libyan Government, one being the managing director, and three representatives of the Togolese Government, one being the chairman of the board. The managing director is responsible for the management of the company.

H. Operations

216. The company's principal activities are the processing of products of the sea and the establishment of a processing complex for this purpose.

217. The company operates two refrigerator ships with a capacity of 50 tons which came into service in 1980. The capital cost of the two ships was 500 million CFA francs. The fish used are caught in Togolese and Libyan territorial waters and on the high seas. Togo is the main market. Each ship employs 12 men.

218. At 31 December 1982 the company's assets totalled 860 million CFA francs. Earnings totalled 57 million and profits 33 million.

XV. SOCIETE NATIONALE INDUSTRIELLE ET MINIERE (SNIM)

A. Members

219. The company has four shareholder countries, Mauritania, Kuwait, Iraq and Morocco. BIsD and the Arab Mining Company are also participants.

B. Headquarters

220. B.P. 42, Nouadhibou, Mauritania; Telex: 55 MTN; Mr. Mohamed Saleck Ould Heyine, Administrator/General Manager. Agencies at Nouakchott, B.P. 40259, Telex 631; Paris, 5 rue Scribe, Telex 230 550 F; Las Palmas, Canaries, 1019 Paseo de Chil, Telex 96519 E.

C. Background

221. The company was set up in 1978 to work and market Mauritanian iron ore.

D. Legal nature

222. SNIM is a limited company with public and private sector participation. It was set up in 1978 under Mauritanian law. It is governed by law No. 78-104 establishing it, by the law of 24 July 1967 on commercial companies and by its memorandum of association.

E. Objectives

223. The company's main objective is to search for, work and market Mauritanian iron ore. It may also build or manage ironworks or chemical or petrochemical plant; set up, acquire, lease and operate any establishment germane to the achievement of its purposes; and acquire participati s in any companies contributing to these ends.

F. Capital

224. The company's registered capital is 9,059,500,000 ouguiya divided into 905,950 shares of 10,000 ouguiya each. There are three categories of shares: shares held by the Mauritanian State and its representatives in the board of directors, shares held by Mauritanian nationals including legal persons under Mauritanian law, and shares held by non-Mauritanian Arab shareholders.

225. The Mauritanian State holds 70.89 per cent of the capital, Kuwait Foreign Trading Contracting and Investment Company 9.64 per cent, Arab Mining Company 7.61 per cent, Iraq Fund for External Development 6.17 per cent, Bureau de recherces de participtions minières, Morocco, 3.09 per cent, and BIsD 2.41 per cent. Mauritanian individual investors hold 0.19 per cent.

G. Organization

226. The company's governing body is the general meeting of shareholders. Each member has a number of votes equal to the number of shares he owns or represents. To constitute a quorum, shareholders representing at least one quarter of the capital must be present and the number must include at least one representative of the Mauritanian Government and one non-Mauritanian Arab shareholder.

227. The company is administered by a 12-member board of directors. Six directors are named by the Mauritanian Government, two by the Mauritanian shareholders, and five by the non-Mauritanian shareholders. The chairman of the board is elected from among the Mauritanian Government representatives. The board may also elect one or more vice-chairmen from among the other directors. The Administrator/General Manager is also elected by the board. He is responsible for the management of the company.

H. Operations

228. The company's main activity is searching for, working and marketing iron ore. It is also active in the field of vocational training.

229. The company's main iron mines are at Kedia, Rhein, Tazadit, Rouessa, Azouazil and Ghulbs, in Mauritania. Turnover in 1987 was 7,986 million ouguiya, somewhat lower than the 1985 and 1986 figures but higher than in 1983 and 1984. Despite an unfavourable international situation and the company's austerity policy, earnings were good and the company showed a profit. Earnings were 1,331 million ouguiya in 1987, as against 1,487 million in 1986 when profits totalled 43.6 million.

230. In 1987, ore exports reached 9,001,633 tons, down 72,450 tons from 1986 and 1,698,361 tons below the management's target. The breakdown of sales was EEC 92.8 per cent, United States 6.6 per cent and other countries 0.5 per cent.

231. The company has 4,519 employees, 20.21 per cent fewer than in 1986.

232. The company's exploration operations include prospecting for water as well as iron ore in Mauritania. Drilling for water has been concentrated in recent years in Brêche, El Gha and Tarf Srey. The company drilled a total of 1,459.9 m in 1986. Additional reserves of iron ore have been located by drilling in the workings at Tazadit, Rouessa and Kedia. The company is also engaged in exploration for uranium and phosphates.

233. In 1987, outcrops of rich magnetite were discovered in Guelbs M'Haoudat 55 km north of Zouerate and 35 km east of Guelbs el Rhein.

234. Prospecting to date points to the existence of an 80 million ton deposit of rich workable ore.

235. The company owns and operates port facilities. It also operates 43 locomotives and 1,400 wagons and the necessary track.

236. In 1985 the company adopted a reconstruction plan to improve its production facilities and obtained an international loan of 20 million ouguiya to finance it. A scheme to expand production at Guelbs and improve productivity throughout the company has been initiated, with finance from international loans of approximately $70 million. At 31 December 1987 the company's aggregate debt was 26,154 million ouguiya.

237. The company's debts have been rescheduled under bilateral agreements between France and Mauritania. Most of the company's borrowings are covered by a trust agreement between the company, investors, the Mauritanian Government, the Société générale (France) and the Law Debenture Corporation Limited. Under the agreement the Law Debenture Corporation was named as trustee and the trust account will receive regular deposits of funds to cover the half yearly payments due to investors. Under another agreement between the company, investors, the Banque centrale de Mauritanie and the Société générale (France), the Société générale opened an account in which the proceeds of ore sales would be deposited and from which the Société would make payments to the trustee to enable the latter to comply with the stipulations of the trust agreement. At 31 December 1987, the trust account had a debtor balance of 1,101,109,496 ouguiya.

XVI. CAISSE NATIONALE DE CREDIT AGRICOLE DE BURKINA (CNCA)

A. Members

238. Burkina Faso, BCEAO, BOAD, CCCE, BFCI-B and CSPPA.

B. Headquarters

239. 107 Avenue Kadiogo, Ougadougou, Burkina Faso, B.P. 1644; Telephone: 302162/302488; Telex: 5443 BF; Mr. Noel Kabore, General Manager; Overseas correspondent: 91-93 Boulevard Pasteur, 15710 Paris, France.

C. Background

240. CNCA was created by decree 79/313/PRES/DR of 14 August 1979 to provide technical and financial support for rural development in Burkina Faso. It was set up in August 1980 and began operations two months later. The Bank's capital was furnished by the Government and two subregional financial institutions, BCEAO and BOAD.

D. Legal nature

241. The Bank was organized as a limited company under the law of Burkina Faso with public and private sector participation. It was registered as No. 5 B in the register of banks by decree 81/0581/PRES/CMRPN/MMF of 22 December 1981.

E. Objectives

242. The Bank's objective is to furnish financial and technical assistance in the execution of projects to promote the rural development of Burkina Faso, in such areas as forestry, agriculture, fisheries, rural handicrafts, agro-industry and commerce.

F. Capital

243. The Bank's registered capital totals 1.3 billion CFA francs 12/ divided into 130,000 shares of 10,000 CFA francs each. The shareholders are the Government, 34 per cent, BCEAO 15.4 per cent, BOAD 15.4 per cent, CCCE 15.4 per cent, CSPPA 7.7 per cent and BFCI-B 7.7 per cent.

G. Organization

244. The Bank's governing body is the general meeting of shareholders. The board of directors has 12 members, two representatives of the Government, one representative of each of the other five shareholders, and six representatives of the workers. The general manager is responsible, with his staff, for the management of the Bank.

H. Operations

245. The Bank's operations centre on its financial and technical contribution to the country's rural development. The bank has four branches (Ougadougou, Bobo-Dioulasso, Dedougou and Tenkodogo). The branches bring the Bank closer to the groups of villagers and cultivators and their organizations who are the principal beneficiaries of its services.

246. The Bank runs a pilot agricultural development project in Koudougou with the financial assistance of the World Bank. The Bank administers the development fund, a public institution with legal personality established to finance projects for the promotion of agricultural production. The Bank maintains a staff training centre.

247. In the course of the 1986/87 financial year, the Bank extended loans totalling 12,326,352,952 CFA francs, an increase of 23 per cent over the previous year. Short-term loans accounted for 80 per cent of the total in

1987, compared with 83 per cent in 1986, and medium-term loans for 20 per cent, an increase of 51 per cent over the previous year. The breakdown of loans by sectors was: agriculture 89.36 per cent, industry 1.22 per cent, commerce and services 2.07 per cent, agro-industry 6.6 per cent and stock farming 0.42 per cent.

248. The Bank had 80 employees at end 1987. Its balance sheet totalled 12,035,701 CFA francs in 1987, up from 8,282,664 francs in 1986. Its own funds totalled 1,794,318,040 CFA francs in 1987, up from 1,695,819,973 in 1986. Net earnings after taxes were 2,470,715 CFA francs, 84.39 per cent below the 1986 figure of 15,833,233.

XVII. OWENA BANK (NIGERIA) LIMITED

A. Member countries

249. Nigeria and United Arab Emirates.

B. Headquarters

250. 30/32 Creek Road, P.O.B. 1122, Apapa, Lagos, Nigeria; Telephone: 01-803030-4, 887907; Telex: 22825 OWENA NG; Mr. B.W. Isaac, Managing Director.

C. Background

251. Owena Bank (Nigeria) Limited is a joint venture between Ondo State Government, Nigeria, and Middle East Bank, Dubai, United Arab Emirates. It was incorporated in Apapa, Lagos, Nigeria, on 18 November 1981.

D. Legal nature

252. The Bank is a limited company established in accordance with Nigerian Law. The activities of the company are those of a licensed commercial bank as authorized by the Central Bank of Nigeria and stipulated in the Banking Act, 1969. Under a technical management agreement, Middle East Bank Limited undertakes to provide technical management services to Owena Bank (Nigeria) Limited.

E. Objectives

253. The Bank is engaged in all aspects of commercial banking.

F. Capital

254. At the end of 1988 the authorized capital was 20 million naira. 13/ The paid up capital was 9 million naira. Capital is represented by registered and ordinary shares of 50 kobo each. The Ondo State Government, Nigeria, and Middle East Bank Limited, Dubai, United Arab Emirates, hold 60 per cent and 40 per cent of the issue share capital, respectively. At the end of 1987 the statutory reserve amounted to 8,545,000 naira and the shareholders' funds amounted to 20,574,000 naira.

G. Organization and management

255. The Bank's supreme organ is the general meeting of shareholders. The Board of Directors is the administrative body; it decides on the Bank's policies and appoints the Managing Director. The Board has seven members. The Managing Director and Chief Executive is responsible for the management of the Bank and is also its legal representative.

H. Operations

256. Services of the Bank include all aspects of commercial banking. Total balance sheet rose from 498,561,000 naira in 1987 to 543,285,000 naira at the end of 1988. Net profit after taxation rose from 6,232,000 naira in 1987 to 8,475,000 naira in 1988. Declared dividend rose from 3 million naira to 5 million naira in 1988. At the end of 1988 the total staff strength of the Bank stood at 588.

257. The Bank has 20 operational branches. During 1988, the Bank opened three more rural branches (in Ondo State) under the aegis of Central Bank of Nigeria's rural banking scheme, which is designed to encourage grass roots development.

258. During 1989 the Bank will sell 40 per cent of its increased share capital to the public and be quoted on the Lagos Stock Exchange, as part of its contribution to the ongoing privatization of the economy.

XVIII. BANQUE ARABE LIBYO-MALIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT (BALIMA)

A. Member countries

259. Mali and Libyan Arab Jamahiriya.

B. Headquarters

260. Avenue Kasse Keita, B.P. 2372, Bamako, Mali; Telex: 2580; Telephone: 225520/225536; Omar Swayeh, General Manager.

C. Background

261. The Bank's memorandum of association was approved by the two Governments in December 1980 in conformity with the 1979 agreement between them. In February 1982 the memorandum was deposited with a notary in Bamako and presented to the initial general meeting.

D. Legal nature

262. BALIMA was organized as a limited company. It was created by an international agreement and registered in Mali. The Bank is governed by the agreement providing for its establishment, by its memorandum of association and by the laws of Mali. During its first five years the Bank was exempt from taxes and fiscal charges and from registration. It was also exempt during its first year from import duties on furnishings, equipment, vehicles and office

supplies, from exchange control and from customs duties. The remuneration of non-Malian employees and shares in the company are exempt from all taxes and fiscal charges.

263. Any differences arising from the application of the Bank's statutes may be settled by the Malian courts. Any disputes between the two Governments are, if possible, to be settled by consultation.

E. Objectives

264. The Bank is empowered to conduct banking operations of all kinds in Mali and abroad, including financial operations directed towards economic and commercial development projects.

F. Capital

265. The Bank's registered capital is 1 billion CFA francs. 12/ Fifty-one per cent is held by the Libyan Arab Foreign Bank and 49 per cent by the Malian Government.

G. Organization

266. The Bank has a meeting of shareholders and a five-member board of directors responsible for the management of the Bank. Three directors, one of whom is vice-chairman, are Libyan and two, one of whom is chairman, Malian. The Bank's chief executive, the General Manager, is appointed by Libya. He is assisted by a deputy appointed by Mali.

H. Operations

267. The Bank's operations are concentrated in the private sector and mainly relate to foreign trade. Eighty per cent of the Bank's customers come from the private sector.

268. At the end of the 1986-1987 financial year the Bank's balance stood at 3,102 million CFA francs 12/ and showed a profit of 91 million as against a loss of 63 million the previous year. Revenue from banking operations rose steeply from 319 million CFA francs in 1985-1986 to 625 million in 1986-1987. Costs of banking operations increased 35.9 per cent, from 427 million CFA francs in 1985-1986 to 581 million in 1986-1987.

269. Despite an increase in the number of customers, customer deposits fell 27.7 per cent, from 1,956 million in 1985-1986 to 1,359 million in 1986-1987. Guaranteed deposits fell 20.8 per cent, from 477 million CFA francs in 1985-1986 to 378 million in 1986-1987. Loans to customers increased 34.65 per cent from 1,619 million in 1985-1986 to 2,180 million in 1986-1987.

270. The profitable outturn in 1986-1987 is testimony to the efforts made by the management. These efforts are to be continued in order gradually to offset the cumulative losses of earlier years and consolidate the Bank's financial structure. An increase in capital agreed in 1986 takes effect on 1 January 1989 and will improve the Bank's financial position. In future years the Bank's management intends to pursue a strict policy designed to eliminate weaknesses from the Bank's portfolio and encourage the country's private sector.

XIX. SOCIETE POUR L'HABITAT ET LE LOGEMENT TERRITORIAL EN AFRIQUE (SHELTER AFRICA)

A. Members

271. Twenty-eight countries are shareholders in SHELTER AFRICA. They are: Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Congo, Djibouti, Egypt, Equatorial Guinea, Gabon, Gambia, Guinea, Kenya, Lesotho, Malawi, Mali, Mauritius, Morocco, Nigeria, Rwanda, Sao Tomé and Principe, Sierra Leone, Somalia, Sudan, Togo, Uganda and Zambia. Three organizations, ADB, AFRICA RE and CDC, are also shareholders.

B. Headquarters

272. Shelter Africa House, Mamlaka Road, P.O. Box 41479, Nairobi, Kenya; Mr. E.O. Lufadeju, Managing Director.

C. Background

273. The charter establishing SHELTER AFRICA was signed in 1982 by 25 African Governments, two African institutions, ADB and AFRICA RE, and one non-regional agency, CDC. The company's memorandum of association was adopted at the same time. The company is a financial and housing development institution and was set up to help meet Africa's expanding needs for housing.

D. Legal nature

274. The company was set up by an international agreement under which it was accorded legal personality. It was incorporated in Kenya as a limited company. It is governed by the agreement establishing it, by its memorandum of association and, subsidiarily, by the law of the headquarters country, to the extent that it is not overriden by the constituent treaty or by the memorandum of association.

E. Objectives

275. The company's principal objectives are to mobilize capital in the form of loans or through the sale of shares with a view to the implementation of housing projects; to promote the investment of public and private capital in housing; to create and promote viable housing agencies in African countries; to train the technical staff such agencies require; to mobilize resources to assist member countries in the field of housing techniques and housing policy; to mobilize concessional funds to assist the underprivileged to obtain decent housing; and to play a part in the encouragement of a regional mortgage market and the development of facilities for financing housing in Africa.

F. Organization

276. The company's governing body is the general meeting of shareholders. Policy is decided by the 10-member board of directors, 2 of whom represent ADB, 1 AFRICA RE and 1 CDC. The company's principal officers are the Managing Director and the General Secretary. The Managing Director is the company's legal representative and is responsible for the management of the company.

G. Capital

277. The company has an authorized capital of $40 million divided into 40,000 shares with a face value of $1,000. The total paid up capital at end 1987 was $29,936,000. There are three categories of share: A shares, allotted to member countries in the same proportions as their shares in the capital of ADB, B shares, which are allotted to African regional and subregional organizations such as ADB and AFRICA RE, and C shares, allotted to non-regional and other organizations. The only organization holding C shares is CDC.

278. As a means of strengthening the company financially, the company's authorized capital has been increased to $300 million. Participation is open to all members of ADB and to other countries. An African housing fund has been set up to mobilize resources to meet the housing needs of the poor.

279. A portion of the company's reserves has been invested, the value of the investment at 31 December 1987 being $15,349,421. At end 1987 the company's balance was $15.7 million. At the same date expenses totalled $1,076,409 and revenues $119,345, leaving a deficit of $967,064. Funds from the 1986 reserves were used to cover the deficit, reducing the reserves from $2,634,698 in 1986 to $1,677,634 in 1987.

H. Operations

280. SHELTER AFRICA has identified 38 projects for the construction of housing with the needed facilities and infrastructure. Thirteen projects costing $51 million have been approved, involving an estimated contribution by the company of $12.5 million. The projects include schemes put forward by Uganda, Malawi, Cameroon, Gambia, Kenya, Zambia, Morocco, Rwanda, Gabon and Djibouti. A survey of building materials is in progress. It will make it possible to identify the opportunities for investment in small- and middle-sized building materials concerns in such countries as Kenya, Zimbabwe, Cameroon, Nigeria, Burundi and Morocco.

281. SHELTER AFRICA is carrying out a number of studies and projects with the assistance of international organizations. It has signed a co-operation agreement with the World Bank relating to the execution of a social housing project in Gambia. In addition to CDC's participation in the organization's capital, CDC and SHELTER AFRICA are co-financing social housing projects in Kenya and other African countries. A co-operation agreement has been signed with UNDP under which UNDP will provide $1.9 million for technical assistance for a sanitation project in Uganda. The OPEC fund for international development has contributed $15,000 to the cost of the survey of local building materials in Africa. The organization and UNEP have signed a protocol on co-operation providing for the exchange and dissemination of research findings. An agreement has also been signed with the Washington based Housing Co-operatives Foundation with a view to the preparation of a strategy for the development of co-operative housing systems in Africa. A report has been prepared and will provide the basis for implementation of a plan of action to promote co-operative housing systems in Africa.

282. The organization is arranging a series of seminars on African housing intended to increase member countries' awareness of the role of housing in economic and social development.

XX. HABIB NIGERIA BANK LTD

A. Member countries

283. Nigeria and Pakistan.

B. Headquarters

284. 28 Ahmadu Bello Way, P.M.B. 2180, Kaduna, Nigeria; Telephone 211923, 212942; Cable: HABIBBANK; Telex: 23916; Telefax: 6144701; Mr. Mohamed Saleem Akhtar, Managing Director. The Bank has 13 branches in Nigeria: Kaduna, Apapa, Tafawa Balewa Square, Kano, Yola, Ibadan, Jos, Minna, Abeokuta, Katsina, Aba, Port-Harcourt, and Sokoto.

C. Background

285. Habib Nigeria Bank Limited is a joint venture between Habib Bank of Pakistan and Nigerian institutional and private investors. It was incorporated in Kaduna, Nigeria, on 12 November 1982 and granted a banking licence on 7 March 1983.

D. Legal nature

286. The Bank is a limited company established in accordance with Nigerian law. The activities of the company are those of a licensed commercial bank as authorized by the Central Bank of Nigeria and as stipulated by the Banking Act, 1969.

E. Objectives

287. The Bank provides enviable support to all sectors of the economy, in particular, agriculture, exports and new industrial projects. In addition the bank finances the balancing and modernization of existing industries.

F. Capital

288. The authorized capital is 15 million naira. 13/ The paid up capital is 6 million. Capital is represented by registered and ordinary shares of 1 naira each. Holdings of shares in Habib Nigerian Bank are: Habib Bank Limited of Pakistan 40 per cent, and Nigerian institutional and private investors 60 per cent. At the end of 1987, the statutory reserve amounted to 3,079,251 naira and the shareholders' funds amounted to 13,538,221 naira.

G. Organization and management

289. The Bank's supreme organ is the General Meeting of Shareholders. The Board of Directors is the administrative body; it decides on the Bank's policies and appoints the Managing Director. It has a chairman and a vice chairman. The Board has 10 members. The Managing Director and Chief Executive is responsible for the management of the Bank's business and is also its legal representative.

H. Operations

290. Banking operations include: current/savings accounts; deposits; loans and advances; financing of international trade; letters of credit; bills for collection; domiciliary accounts; and foreign exchange. Besides these operations, the Bank provides special services to its clients tailored to their special needs.

291. The total balance sheet rose from 234.9 million naira in 1986 to 545.9 million as at 31 December 1987. Net result after taxes rose from 3,402,750 naira in 1986 to 7,880,653 naira as at 31 December 1987. Dividends declared rose from 1,500,000 naira in 1986 to 3,000,000 naira as at 31 December 1987.

292. The Bank has 13 operational branches in Nigeria. It is represented in 12 States of the Nigerian Confederation. The Bank has adopted a prototype plan for proposed rural branches; the first, at Badegi, is operational.

293. Activities included also manpower, development and training. All levels of management including executives, officers and clerical staff, benefit from training programmes, seminars and courses organized by the Financial Institutions Training Centre, Nigerian Institute of Bankers and Habib Bank of Pakistan. The staff strength was 280 in December 1987.

294. In acknowledgement of its record of quality and efficient services, the Bank was rated No. 1 in customer support service in a survey of Nigerian banks, carried out by Price Waterhouse Associates, based on financial condition and performance for the accounting period that ended in December 1986.

XXI. MASSRAF FAYSAL AL ISLAMI-GUINEE (BANQUE ISLAMIQUE DE GUINEE)

A. Member countries

295. Saudi Arabia and Guinea.

B. Headquarters

296. Avenue de la Republique, B.P. 1247, Conakry, Guinea;
Telephone: 445071/73; Telex: 22184 DMI/GE.

C. Background

297. The Banque islamique de Guinée was set up in 1983 in conformity with the protocol signed by the Guinean Government and the Dar-al-Maal al-Islami company and the Guinean law of 1982 on Islamic banks. The Bank is one of a number of Islamic banks set up by the Dar-al-Maal al-Islami group (DMI). The DMI group was organized in 1981 under the patronage of Saudi Arabian princes and statesmen to encourage the establishment of Islamic branch banks and insurance and investment companies. DMI is registered as a trust company in the Bahamas and its wholly owned operating subsidiary is registered in Geneva. DMI planned to open banks in the Muslim countries of Africa. The Massraf Faysal al Islami bank is at present operating in Guinea and Senegal. The Islamic banks are organized in conformity with shariah principles.

298. In 1986 the Bank merged with the Société d'investissement islamique de Guinée and became the first Guinean private bank.

D. Legal nature

299. The Bank is a limited company under Guinean law. It is governed by the 1981 protocol signed by the Guinean Government and the Dar-al-Maal al-Islami, the Guinean law of 1982 on Islamic banks, the Bank's memorandum of association registered at Conakry in February 1983 and the agreement establishing it ratified by Law 11/APN/83.

E. Objectives

300. The Bank's main objective is to particpate in the country's economic and social development. It operates in the same way as other commercial banks but, as an Islamic bank, does not charge interest on loans and makes a careful selection of projects to finance in accordance with shariah principles.

F. Organization

301. The Bank's supreme organ is the general meeting of shareholders. The five-member board of directors is responsible for the direction of the Bank. The managing director is responsible with his staff for the management of the Bank and is its legal representative. A religious supervisory council is responsible for ensuring respect for the shariah.

G. Capital

302. The Bank's registered capital is 930 million Guinean francs. 16/ The Dar-al-Maal-al Islami group holds 51 per cent and Guinean shareholders 49 per cent.

H. Operations

303. The Bank offers three types of account: (a) Islamic current accounts, similar to current accounts in conventional banks except that the deposits are sight deposits and in accordance with shariah principles not remunerated; (b) Savings accounts in which deposits are not remunerated but are taken into account when application is made for loans; and (c) Investment accounts, consisting of fixed term deposits. At the end of each period the customers receive 80 per cent of the profits earned from the use of the funds and the Bank 20 per cent.

304. As regards the use of the funds collected, the Bank offers the following contracts: (a) morabaha contracts in which a customer wishing to purchase equipment or goods asks the Bank to buy them at the going price and to sell them to him at the same price plus a negotiated fee; (b) mosharaka contracts, contracts of association in which the Bank advances funds which are combined with the customer's funds in order to permit capital participation; losses are shared in proportion to the parties' shares of the funds and profits are shared in agreed proportions; (c) modaraba, contracts under which the Bank advances all the funds required for a venture to be managed by the customer; the profits are shared in accordance with the terms of the modaraba;

(d) ijara, contracts under which the Bank finances equipment or installations in return for an agreed rent; (e) ijara wa ikitina, under which the Bank advances money for real estate or an entire project in return for an agreed rent and the customer's undertaking to deposit funds in an Islamic investment account which will enable him eventually to buy the equipment or project; the customer receives the accumulated profits on the investment account; (f) kahar hassan, a contract under which money is advanced for humanitarian purposes; repayments are spaced over a period agreed by the parties, no interest being received by the Bank.

305. In addition, the Bank offers services such as the transfer of funds abroad, the provision of guarantees, the issuance and confirmation of letters of credit and the issuance of banker's guarantees and bonds. The Bank charges the customer an agreed fee, and no interest is payable.

306. Aggregate deposits slipped from 5,424 million francs in 1986 to 5,270 million in 1987, a fall of 2.83 per cent. The volume of loans also fell 2.7 per cent, from 4,612 million in 1986 to 4,497 in 1987. The Bank's balance, 7,362 million Guinean francs, was roughly the same in 1987 as in 1986, but the profits tripled, from 50 million in 1986 to 144 million in 1987.

XXII. SOCIETE FORESTIERE ALGERO-CONGOLAISE (SFAC)

A. Member countries

307. Algeria and Congo.

B. Headquarters

308. B.P. 5109, Brazzaville, Congo; Telephone: 832952/834640; Telex: 5420 KG; Mr. B. Vovidibio, General Manager.

C. Background

309. SFAC was set up in August 1983 by the Office congolais du bois (OCB), the Entreprise nationale d'approvisionnement en bois et dérivés (ENAB), an Algerian national enterprise and the Complexe d'exploitation et de transformation des bois (COMETRAB) with SOFINANCE and CONSEIL TECHNIQUES as technical partner. The company's statute was amended in 1988 to reflect the changes in capital holdings following the departure of the technical partner, which had held 5 per cent of the capital. The company's capital thus became wholly Algerian and Congolese.

D. Legal nature

310. The company is a limited company governed by Congolese law with public and private sector participation. Its statute was registered by the registrar of the Brazzaville commercial court in August 1983. It was approved under régime B 17/ of the investment code by ordinance 29/87 of 30 December 1987.

E. Objectives

311. The company was set up to extract, process and market wood and wood products.

F. Capital

312. The company's registered capital is 3 billion CFA francs, 12/ divided into 300,000 shares of 10,000 francs each. Fifty one per cent of the capital is held by OCB, 46 per cent by ENAB and 3 per cent by COMETRAB.OCB and COMETRAB hold A shares. ENAB holds B shares.

G. Organization

313. The company's governing body is the general meeting of shareholders. The company is directed by a nine-member board of directors, four including the chairman, representing OCB, four representing ENAB and one representing COMETRAB. The company is managed by the general manager, who is its legal representative. He is assisted by a deputy.

H. Operations

314. The company may undertake any operations for the production, extraction, processing, transport and marketing of wood and wood products. It may enter into agreements, build or acquire buildings, facilities or factories and undertake any financial or real estate transactions consistent with the objectives of the company.

315. The production of wood in 1987 was 32,839 cubic metres, a little more than three times the 1986 level of 10,480 cubic metres. The target for 1988 was 50,000 cubic metres. The output by species is, in order of volume, sapelli, sipo, wengue and afrormosia. The area prospected has also increased. Tracks totalling 1,825,305 km were opened in 1987, 9.25 per cent more than in 1986. At end 1987 the company had built 75 km of primary roads and secondary roads and tracks were being built and improved at a steady rate matching the expansion of production.

316. Cutting was increased by a factor of 2.4 in 1987 and the number of trees felled rose to 4,593 from 1,376 in 1986. There was a corresponding increase in transport operations. The volume of merchantable sawn timber was 32,839 cubic metres in 1987, up 203 per cent from 1986. The labour force employed in these operations totalled 5,892.

317. Timber is taken from the forest storage area to port storage areas with a transfer from road to water transport at Pounga and from water transport to rail at Brazzaville and Pointe Noire.

318. Sales in 1987 totalled 21,819.9 cubic metres, below the target of 33,250 cubic metres. The target for 1988 was 42,800 cubic metres.

319. The company's association with the project for the construction of the timber processing complex at Gomé is under consideration. The project is receiving World Bank assistance. The company has obtained a 2.5 billion CFA francs loan from the ADB to finance the foreign currency component of the project.

320. The company is a member of the international tropical timber technical association. The company had a staff of 230 in 1988, 28 more than the previous year.

321. The company's turnover in 1987 was 1,666.4 million CFA francs in 1987, 4.4 times larger than the 1986 figure. The estimated figure for 1988 was 3,122.3 million. The operating profit in 1987 was 61.9 million CFA francs. The estimate for 1988 was 660.3 million, 21.2 per cent of turnover, the same percentage as in 1987. The company's land assets were valued at 3,451.3 million CFA francs in 1987, up from 3,166 million in 1986. Expenditures were 3,080.6 million CFA francs in 1988, 2,705.2 million operating costs and 375.4 million investments, a 37 per cent rise in operating costs and a 53 per cent increase in investments over 1987. The company's works programme is substantial.

322. After a difficult start, the company's situation has begun to improve. Output and sales are rising and production costs are under better control. The company's prospects are good despite the unfavourable economic climate.

XXIII. BANQUE AL-BARAKA MAURITANIENNE ISLAMIC (BANIS)

A. Member countries

323. Mauritania and Saudi Arabia.

B. Headquarters

324. B.P. 650, Nouakchott, Mauritania; Telephone: 514-24 and 522-66; Telex: 535 MTN; Fax: (2222) 516-21; Mr. Sidi Mohamed Lamine, General Manager.

C. Background

325. The Bank is part of the Al-Baraka financial group with headquarters in Jeddah (Saudi Arabia). The Bank was set up in September 1985 when its memorandum of association was approved by the constituent general meeting.

D. Legal nature

326. The Bank is a limited company under Mauritanian law.

E. Objectives

327. The Bank's main objective is to participate in the economic and social development of Mauritania. The Bank's operations are those of a commercial bank but as an Islamic bank, in accordance with Islamic rules and precepts, it excludes usuary (riba) of all kinds.

F. Organization

328. The Bank's organs are the general meeting of shareholders, the board of directors and the general management. The board of directors comprises six representatives of the Al-Baraka group and six representatives of the Mauritanian shareholders. Management is the responsibility of the general manager. He is the Bank's legal representative.

329. The Bank's authorized capital totals 500 million ouguiya 15/, 50 per cent held by Al-Baraka investments and development, Jeddah, 40 per cent by Mauritanian private investors and 10 per cent by the Banque centrale de Mauritannie.

330. The Bank's resources are: (a) its own funds, constituted by its capital and reserves, the total in 1987 being, 576,113,847.87 ouguiya; (b) external deposits of individuals and corporate institutions and of banks in surplus in the financial pools set up to finance projects and international trade in accordance with specified principles. The deposits may be earmarked for specified short- or medium-term projects or held in a common basket and invested by the Bank in projects of its choice. Deposits are remunerated from the profits of projects which are shared among depositors in accordance with the amounts of their deposits and the length of time for which they are held; (c) local deposits of Mauritanian residents wishing to invest their savings in accordance with the Bank's principles. At 31 December 1986 local deposits totalled 846,332,337.68 ouguiya.

H. Operations

331. The Bank engages in the following categories of operation: (a) morabaha operations, consisting in the purchase and sale of goods over a fixed term of 1 to 12 months, the remuneration being established in advance; operations of this kind are mainly used to finance domestic and international trade; (b) taajir operations, in which equipment for industrial projects is financed through leasing arrangements; (c) mosharaka operations, involving participation in capital (mosharaka daima) remunerated by dividends or declining participation (mosharaka motanikisa) remunerated by dividends, in which the partners may take over all the capital by repaying the Bank's share or part or all of their dividends over a specified period; (d) modharaba operations in which capital is furnished by the Bank and labour by the promoter of the project, the profits being divided in such manner as to equitably remunerate both parties; (e) miscellaneous banking operations, such as current and deposit accounts.

332. At 31 December 1986 short term operations totalled 790,777,964 ouguiya in the form of 98 morabaha arrangements involving off-shore investments (314,306,269 ouguiya) and reuse of local funds (15,226,688 ouguiya). The Bank also financed six projects involving a total of 1.17 billion ouguiya for an average term of five years. The projects were three industrial fishing projects, one inshore fishing project, one industrial project and one urban transport project.

333. The Bank's net profits at end 1987 totalled 73,920,380.67 ouguiya.

XXIV. ECOBANK TRANSNATIONAL INC. (ECOBANK)

A. Members

334. Shareholders from the 16 ECOWAS member countries, Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo. The ECOWAS fund is also a participant.

B. Headquarters

335. 20 rue de Commerce, Lomé, Togo, B.P. 3261; Telex: 5170 ECOBANK; Telephone: 213168; Fax: 215119 (228).

C. Background

336. ECOBANK is a private ECOWAS financial institution. It was set up as the outcome of an initiative of the West African private sector headed by the Federation of West African Chambers of Commerce. In 1979 several presidents of ECOWAS chambers of commerce and industry put forward the idea of organizing a financial institution to promote inter-African trade and industry in ECOWAS.

337. Several Heads of State in the subregion gave their backing to the project after it was presented by the president of the Federation of Chambers of Commerce at the Conakry summit of ECOWAS Heads of State and Government in May 1983.

338. In the light of the support for the project in various quarters ECOPROMOTIONS was organized as a limited company to promote realization of the project. The company commissioned a feasibility study, negotiated the terms of a headquarters agreement, selected a technical partner for banking operations, enlisted the support of governments, central banks, international agencies and financial circles and mobilized resources in the ECOWAS region.

339. The establishment of ECOBANK was approved by the heads of States of the 16 ECOWAS countries in November 1984 and the company was incorporated in October 1985. It began operations in 1987.

D. Legal nature

340. ECOBANK is a limited company governed by its memorandum of association. Togolese ordinance 85-16 of 15 September 1985 and the headquarters agreement with Togo and subsidiarily by Togolese law. Under the headquarters agreement, the company has the status of an offshore financial institution, which guarantees it the needed independence in the conduct of operations and the inviolability of its premises and files. Operating units set up by ECOBANK are subject to the laws and regulations of the countries in which they are established. Differences arising from the interpretation or application of the Bank's memorandum of association are to be submitted to arbitration.

E. Objectives

341. ECOBANK does not engage in direct banking operations. Its principal purpose is to supervise the activities of any operating units it may create or acquire with a view to the provision of banking, economic, financial and development services in the ECOWAS countries and elsewhere.

F. Capital

342. ECOBANK's authorized capital is $100 million. At end 1988 its paid up capital totalled $32 million. Although shares are denominated in dollars, shareholders may pay the equivalent in local currency and the national chamber of commerce or other authorized organization is entitled to apply for authorization to obtain dollars and transfer them to ECOBANK. There are two categories of shares, preference shares, issued to founders of the company, and ordinary shares issued to other shareholders. The bulk of the company's capital is held by the private sector of the ECOWAS countries with a 5 per cent participation by the ECOWAS fund.

G. Organization

343. The company's supreme body is the general meeting of shareholders. The 11-member board of directors consists of a director appointed by the ECOWAS fund, 2 directors named by the technical partner or 2 senior officials of the company, 7 directors representing shareholders and the Managing Director of ECOBANK. The members of the Bank's managing body are named by the board of directors. The management is headed by the Managing Director, who is the company's legal representative.

H. Operations

344. The company's operations include the establishment of branches with the functions of commercial or development banks in the ECOWAS countries or elsewhere; the promotion of investments; the promotion and financing of intra-ECOWAS trade; technical assistance in the preparation of financial arrangements for development projects and their execution; and reconstruction consulting services to help solve the problems of industry in the ECOWAS countries.

345. In setting up branches to undertake commercial or business banking operations, the criteria are: (a) the branch's capacity to expand without reducing the quality or efficiency of services; (b) the market potential in the ECOWAS countries; (c) the response in official quarters and in business circles and the support a banking subsidiary is likely to receive. Subsidiaries will operate as ordinary commercial banks and will be subject to the same regulations as other banks in the countries where they are established.

346. The first commercial subsidiary was opened in Lomé in March 1988. ECOBANK-TOGO's authorized capital is 750 million CFA francs, more than 95 per cent being subscribed by the parent company. Additional subsidiaries will be opened in the near future, ECOBANK-NIGERIA in Lagos, ECOBANK-COTE D'IVOIRE in Abidjan and ECOBANK-GHANA in Accra. Consideration is being given to the opening of a subsidiary in Cotonou, Benin, before the end of 1989.

347. During the start-up period ECOBANK received technical assistance from CITYBANK.

XXV. THE LIBYAN ARAB-UGANDA BANK FOR FOREIGN TRADE AND DEVELOPMENT

A. Member countries

348. Libyan Arab Jamahiriya and Uganda.

B. Headquarters

349. 27, Kampala Road, P.O. Box 9485, Kampala, Uganda; Telephone: 41408; Telex: 61286 LAUB; Mr. Bashir M. Zoughni, General Manager.

C. Background

350. The Libyan Arab-Uganda Bank is a joint venture between the Libyan Arab Foreign Bank and the Government of Uganda. It was established in 1985.

D. Legal nature

351. The Bank is a limited company established in accordance with Ugandan law. The activities of the Bank are those of a licensed commercial bank as authorized by the Bank of Uganda and as stipulated by the Companies Act (Cap. 85).

E. Objectives

352. The objective of the Bank is the practice of banking operations, including financial operations concerning economic and commercial development projects.

F. Capital

353. At the of 1987 the authorized capital was 600,000 Uganda new shillings (USh). 18/ The paid up capital was USh 300,000. Capital is represented by preference and ordinary shares of USh 1 each. Holdings of shares in percentage are as follows: Libyan Arab Foreign Bank 51 per cent; Government of Uganda 49 per cent. At the end of 1987 the shareholders' funds amounted to USh 39.3 million.

G. Organization and management

354. The Bank's supreme organ is the General Meeting of Shareholders. The Board of Directors has five members (three Libyans and two for the Uganda Government); it is the administrative body and decides on the Bank's policies. The General Manager is responsible for the management of the Bank and is also its legal representative.

H. Operations

355. Services of the Bank include all aspects of a commercial bank. The total balance sheet rose from USh 323.6 million in 1986 to 732.5 million in 1987. The net result after taxation rose from USh 10.6 million in 1986 to 11.7 million in 1987. The declared dividend at the end of 1987 was USh 10.9.

XXVI. BANQUE SENEGALO-TUNISIENNE

A. Member countries

356. Senegal, Tunisia and the United Arab Emirates.

B. Headquarters

357. 57 Avenue Georges Pompidou, Dakar, Senegal; Telephone: 217576/226230; Telex: 61169 BST SG; Mr. Taoufil Baaziz, Managing Director.

C. Background

358. The Bank was incorporated in April 1986 and began operations the same year. Its establishment reflects the desire of the Tunisian and Senegalese Governments to create an instrument for the promotion of co-operation among developing countries. It is both a development bank in Senegal and a commercial bank.

D. Legal nature

359. The Bank is a limited company under Senegalese law. Its incorporation is recorded in the Dakar registry of commerce.

E. Objectives

360. In addition to undertaking traditional banking operations, the Bank is concerned with the promotion and financing of investment projects in all sectors of economic activity, the financing of international trade, in particular trade between Tunisia and Senegal, and the development of financial relations and the organization of joint projects involving the two countries and Arab countries.

F. Capital

361. The Bank's capital is 1,000 million CFA francs. 12/ It is fully paid up and divided into 100,000 shares of 10,000 francs each. The Banque de Tunisie et des Emirats d'investissements holds 25 per cent, the Société tunisienne de banques 20 per cent, the Société sénégalaise pour le développement de l'industrie et du tourisme 13.95 per cent and the Senegalese national lottery 12.49 per cent. Individual investors hold 28.56 per cent.

G. Organization

362. The Bank's governing body is the general meeting of shareholders. The Bank is directed by its 11-member board of directors and managed by the managing director. He is the company's legal representative.

H. Operations

363. The Bank's operations include the promotion of projects, loan financing and external trade operations.

364. The Bank assists in financing joint projects by making loans, financial engineering and direct financial participation of not less than 25 per cent. Joint Senegalese/Tunisian projects include the establishment of the Société industrielle et commerciale africaine (SICA), which makes television sets, and the Société tunisio-sénégalaise de commerce international (SOTUSCI) which trades between the two countries. A plant for the Société sénégalo-tunisienne d'aliments de bétail (SETUNA) has been completed and joint projects for a foundry in Senegal, a plywood works and tannery at Lougal and a brick works at Monastie are under consideration.

365. The Bank's balance sheet at 30 September 1988 totalled 3,497,089,931 CFA francs. At 31 December 1987 the Bank showed a loss of 24 million CFA francs, including write-offs of 41 million and provisions of 49 million.

XXVII. INDO-NIGERIAN MERCHANT BANK LTD.

A. Member countries

366. India and Nigeria.

B. Headquarters

367. 42, Adeola Hopewell Street, Victoria Island, Lagos, Nigeria; Telephone: 610051-53 and 610083; Telex: 21964; Mr. R. Dikshit, Managing Director.

C. Background

368. Indo-Nigerian Merchant Bank Ltd. is a joint venture between the State Bank of India, the Nigeria Reinsurance Corporation and Nigerian citizens. The Bank was incorporated on 26 November 1986.

D. Legal nature

369. The Bank is a limited company established in accordance with Nigerian law. It is organized under the Banking Decree 1969. The Bank has entered into an agreement with the State Bank of India under which it receives technical and management assistance.

E. Objectives

370. The Bank is engaged in merchant banking business.

F. Capital

371. At April 1988 the authorized capital was 10 million naira, 13/ divided in 10 million ordinary shares of 1 naira each. The paid up capital at the end of 1988 was 5 million. The State Bank of India owns 40 per cent of the issue share capital, Nigeria Reinsurance Corporation 15 per cent and the remaining 45 per cent is owned by Nigerian citizens. At the end of 1987 the shareholders' funds amounted to 9.1 million naira.

G. Organization and management

372. The Bank's supreme organ is the General Meeting of Shareholders. The Board of Directors has six members (two Indian and four Nigerian). It is the administrative body and decides on the Bank's policies. The Managing Director is responsible for management of the Bank and is also its legal representative.

H. Operations

373. Services of the Bank include all aspects of merchant banking. Total balance sheet rose from 203.1 million naira in 1986 to 217.8 million in 1987. Net profit after taxation rose from 1.9 million naira in 1986 to 4.7 million in 1987. Dividend declared rose from 500,000 naira in 1986 to 600,000 naira in 1987.

374. Under a technical management agreement, the State Bank of India provides technical management services to the Indo-Nigerian Merchant Bank.

Notes

1/ See Report of the Conference on Economic Co-operation among Developing Countries, Mexico City, 13-22 September 1976, vol. I, "Decisions of the Conference and Summary of Proceedings". (Distributed under cover sheet TD/B/628).

2/ See UNCTAD, Juridical aspects of the establishment of multinational marketing enterprises among developing countries, New York, 1982. (United Nations publication, Sales No.: F.82/II/D.9), para. 5.

3/ Ibid, para. 25.

4/ "Evaluation of Latin American multinational enterprises" (UNCTAD/ST/ECDC/35); "Latin American multinational enterprises: analytical summary" (TD/B/C.7/50 and Corr.1); "Multinational production enterprises" (TD/B/C.7/84); UNCTAD, Multinational shipping enterprises, New York, 1972, (United Nations publication, Sales No.: F.72.II.D.17); INTAL-BID, "Las Empresas Conjuntas Latino-americanas", Buenos Aires, 1977, Estudios Basicos, No. 1.

5/ UNCTAD, op. cit., part II, chaps. I to IV.

6/ See TD/B/C.7/50 and Corr.1, p.iii.

7/ The draft agreement is obtainable from the UNCTAD Division for Economic Co-operation among Developing Countries.

8/ TD/B/C.7/50 and Corr.1.

9/ This refers only to enterprises considered in this report.

10/ UNCTAD, op. cit., chaps. I to III.

11. For further information on the legal personality of developing country multinational enterprises, see UNCTAD Juridical aspects of the establishment of multinational marketing enterprises among developing countries, op. cit., first part.

12/ At 31 December 1988, one US dollar = 302.95 CFA francs.

13/ At 31 December 1988, one US dollar = 5.292 naira.

14/ At 31 December 1988, one US dollar = 9.535 kwacha.

15/ At 31 December 1988, one US dollar = 78.85 ouguiya.

16/ At 31 December 1988, one US dollar = 299.59 Guinean francs.

17/ "Foreign investment regulations in Africa" (UNCTAD/ST/ECDC/30), para. 91.

18/ At 31 December 1988, one US dollar = 550 Uganda new shillings.

Annex

LIST OF MULTINATIONAL ENTERPRISES ESTABLISHED BY COUNTRIES OF SUB-SAHARAN AFRICA JOINTLY WITH OTHER COUNTRIES OF THE SUBREGION OR WITH OTHER DEVELOPING COUNTRIES

A. With other countries of the subregion

1. Société minière du Niger (SMDN). Established 1964 by Benin and Niger. Purpose: mineral exploration, acquisition of mines or quarries in Niger and marketing of ore. Capital: 36 million CFA francs, 77 per cent held by Niger and 10 per cent by Benin. B.P. 724 Niamey, Niger.

2. Organisation commune Bénin-Niger des chemins de fer et des transports (OCBN). Established in 1959 by Benin and Niger. Purpose: management and operation of railways. Benin holds 63 per cent of the capital and Niger 37 per cent. B.P. 16, Cotonou, Benin.

3. Société des ciments d'Onigbolo (SCO). Established 1975 by Benin and Nigeria. Purpose: quarrying and manufacture and sale of cement. Capital: 6 billion CFA francs, 51 per cent held by Benin and 43 per cent by Nigeria. Onigbolo, Benin.

4. Tanzama Pipelines Limited (TANZAMA). Established 1968 by United Republic of Tanzania and Zambia. Purpose: operation and maintenance of Dar-es-Salaam/Ndola pipeline. Capital: 9 million kwacha, 66.6 per cent held by Zambia and 33.3 per cent by United Republic of Tanzania. P.O. Box 71625, Ndola, Zambia.

5. Inter-RCA. Established 1980 by Central African Republic and Air Afrique. Purpose: air services in Central African Republic. Capital: 52 per cent held by Government and 24 per cent by Air Afrique. B.P. 1413, Bangui, Central African Republic.

6. Air Mauritanie. Established 1974 by Mauritania and Air Afrique. Purpose: operation of air services in Mauritania. Mauritania holds 80 per cent of capital, Air Afrique 20 per cent. B.P. 41, Nouakchott, Mauritania.

7. Société sucrière de Savé. Established 1975 by Benin and Nigeria. Purpose: development of an agro-industrial sugar complex at Savé. Capital: 7.6 billion CFA francs, 49 per cent held by Benin, 46 per cent by Nigeria and 3 per cent by LONRHO Ltd. Savé, Benin.

8. Ciments de l'Afrique de l'Ouest (CIMAO). Established 1969 by Côte d'Ivoire, Ghana and Togo. Purpose: quarrying, manufacture and sale of clinker and cement. Capital: 25.3 billion CFA francs, equally divided between the three shareholders. B.P. 1365, Lomé, Togo.

9. Régie de chemins de fer Abidjan-Niger (RAN). Established 1960 by Côte d'Ivoire and Burkina Faso. Purpose: management and operation of railways. Resources: 76 billion CFA francs. B.P. 139, Abidjan, Côte d'Ivoire.

10. Air Afrique. Established 1961 by Benin, Burkina Faso, Central African Republic, Chad, Congo, Côte d'Ivoire, Mauritania, Niger, Senegal, Togo and Sierra Leone. Purpose: operation of air services between member countries. Capital: 13.876 billion CFA francs, 72 per cent held in equal amounts by member countries and 28 per cent by SODETRAF. B.P. 3927, Abidjan, Côte d'Ivoire.

11. ECOBANK Transnational Inc. Established 1985 by Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo and the ECOWAS fund. Purpose: supervision of operating units set up or acquired by ECOBANK to provide banking, economic and financial services. Capital: $100 million subscribed by private sectors of ECOWAS countries with 20 per cent participation by ECOWAS fund. B.P. 3261 Lomé, Togo.

12. Communauté électrique du Bénin (CEB). Established 1968 by Benin and Togo. Purpose: sole supplier of electric energy. Capital: 50 million CFA francs, 50 per cent held by Togolese Government and 50 per cent by Benin Government. B.P. 1368, Lomé, Togo.

13. Agence pour la sécurité de la navigation aérienne en Afrique (ASECNA). Established by Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Gabon, Madagascar, Mali, Mauritania, Niger, Senegal and Togo. Purpose: to ensure safety of air traffic. Resources: 34.5 billion CFA francs. B.P. 3144, Dakar, Senegal.

14. Tanzania-Zambia Railway Authority (TANZARA). Established 1975 by United Republic of Tanzania and Zambia. Purpose: management and operation of railways, including Dar-es-Salaam/New Kapir/Moshi (north of Lusaka) line, length 1,860 km, 891 of which in Zambia. P.O. Box 2834, Dar-es-Salaam, United Republic of Tanzania.

15. Banque togolaise de développement (BTD). Established 1966 by Togo, BOAD, BCEAO, CCCE, DEG and a group of banks and related companies, including BIAO-Togo. Purpose: conduct of banking operations, including promotion of priority enterprises. Capital: 1 billion CFA francs, 40 per cent held by the Togolese Government, 20 per cent by BCEAO, 10 per cent by BOAD, 10 per cent by CCCE, 10 per cent by DEG and 10 per cent by a bank group. B.P. 65, Lomé, Togo.

16. Caise nationale de crédit agricole de Burkina (CNCA). Established by Burkina Faso, BCEAO, BOAD, CCCE, CNID and CSPPA. Purpose: technical and financial support for rural development projects. Capital: 1.3 million CFA francs, 24 per cent held by Burkina Faso, 16.4 per cent by BCEAO, 15.4 per cent by BOAD, 15.4 per cent by CCCE, 7.7 per cent by CSPPA and 7.7 per cent by CNID. B.P. 1644, Ouagadougou, Burkina Faso.

17. Société de transformation de l'aluminium du Gabon (SOTRALGA). Established 1976 by Cameroon and Gabon. Purpose: aluminium processing. Capital: 120 million CFA francs, 43.75 per cent held by Compagnie camérounaise d'aluminium, 25 per cent by Cameroonian investors, 13.54 per cent by the Société gabonaise de participation et développement, 15 per cent by the Société de développement de l'Afrique (SODAFE) and 2.71 per cent by other investors. B.P. 3880, Libreville, Gabon.

18. Armement dakarois pour le regroupement de l'industrie de la pêche (ADRIPECHE). Established 1970 by Côte d'Ivoire and Senegal. Purpose: processing and freezing of fisheries products. Capital: 203 million CFA francs, 51 per cent held by Senegal and 49 per cent by Côte d'Ivoire. B.P. 4052, Abidjan, Côte d'Ivoire.

19. Société de développement hôtelier et touristique de l'Afrique de l'Ouest (HOTAFRIQUE). Established by Benin, Burkina Faso, Central African Republic, Congo, Côte d'Ivoire, Mauritania, Niger, Senegal, Sierra Leone and Togo. Purpose: promotion of tourism, preparation of studies, definition of policies, mobilization of funds, construction or improvement of facilities. Capital: 60 million CFA francs. Head office, Abidjan, Côte d'Ivoire.

B. With other developing countries

1. Société africaine de réassurance (AFRICA RE). Established 1977 by Algeria, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Libyan Arab Jamahiriya, Madagascar, Mali, Mauritius, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Sudan, Swaziland, Togo, Tunisia, Uganda, United Republic of Tanzania, Zaire and Zambia and the ADB. Purpose: to promote national insurance and reinsurance operations and to carry out such operations. Capital: $15 million. P.O. Box 12765, Lagos, Nigeria.

2. Société des mines de fer de Guinée pour l'exploitation des Monts Nimba (NIFERGUI-NIMBA). Established 1973 by Algeria, France, Guinea, Japan, Liberia, Libyan Arab Jamahiriya, Nigeria, Romania, Spain, United States and Yugoslavia. Purpose: development of the Nimba and Simandou iron deposits. Capital: $46 million. Conakry, Guinea.

3. Société togolaise-arabe libyenne de pêche (STAL PECHE). Established 1977 by Togo and the Libyan Arab Jamahiriya. Purpose: ocean fishing and processing and marketing of fisheries products. Capital 75 million CFA francs, 50 per cent held by Togolese Government and 50 per cent by Libyan Government. B.P. 3554 Lomé, Togo.

5. Société agricole togolaise-arabe libyenne (SATAL). Established 1977 by Togo and Libyan Arab Jamahiriya. Purpose: design and implementation of agricultural projects and processing and sale of agricultural products. Capital: $6 million, 50 per cent held by Togolese Government and 50 per cent by Libyan Government. B.P. 3554, Lomé, Togo.

5. Société agro-animale bénino-libyenne (SABLI). Established 1979 by Benin and Libyan Arab Jamahiriya. Purpose: development and management of farms and agricultural projects, manufacture of cattle feed and processing and sale of agricultural products. Capital: 430 million CFA francs, 51 per cent held by Benin and 49 per cent by Libyan Arab Jamahiriya. B.P. 03-1200, Cotonou, Benin.

6. Société bénino-arabe libyenne des mines. Established 1977 by Benin and Libyan Arab Jamahiriya. Purpose: Quarrying of marble and other minerals. Capital: $5 million, 51 per cent held by Benin and 49 per cent by Libyan Arab Jamahiriya. B.P. 1516, Cotonou, Benin.

7. Société bénino-arabe libyenne de pêche maritime (BELIPECHE). Established 1979 by Benin and Libyan Arab Jamahiriya. Capital: $2 million, 51 per cent held by Benin and 49 per cent by Libyan Arab Jamahiriya. B.P. 1913, Cotonou, Benin.

8. Compagnie béninoise de navigation maritime (COBENAM). Established 1974 by Benin and Algeria. Purpose: marine transport and related activities. Capital: 500 million CFA francs, 51 per cent held by Benin and 49 per cent by Algeria. B.P. 2032, Cotonou, Benin.

9. Nigeria Machine Tools Ltd. Established by Nigeria and India. Capital: 20 million naira, 85 per cent held by Nigerian Government and 15 per cent by Hindustan Machine Tools (India). P.O. Box 4343, Oshogbo, Nigeria.

10. Banque arabe libyenne-nigerienne pour le commerce extérieur et le développement (BALINEX). Established 1978 by Niger and Libyan Arab Jamahiriya. Purpose: conduct of banking operations. Capital: $100 million, 50 per cent held by Niger and 50 per cent by Libyan Arab Foreign Bank. B.P. 11363, Niamey, Niger.

11. Libyan Arab-Uganda Bank for Foreign Trade and Development. Established 1985 by Uganda and Libyan Arab Jamahiriya. Purpose: conduct of banking operations. Capital: 600,000 Uganda new shillings, 49 per cent held by Uganda and 51 per cent by Libyan Arab Foreign Bank. P.O. Box 9485, Kampala, Uganda.

12. Société libyo-malienne de développement d'élevage et d'exploitation du bétail (SOLIMA). Established 1978 by Mali and Libyan Arab Jamahiriya. Purpose: development of cattle farming. Capital: 4.4 billion CFA francs, 60 per cent held by Mali and 40 per cent by Libyan Arab Jamahiriya. Avenue Kasse Keita, Bamako, Mali.

13. Banque arabe libyo-malienne pour le commerce extérieur et le développement (BALIMA). Established by Mali and Libyan Arab Jamahiriya. Purpose: conduct of banking operations. Capital: 1 billion CFA francs, 51 per cent held by Libyan Arab Foreign Bank and 49 per cent by Malian Government. B.P. 2372, Bamako, Mali.

14. Banque arabe africaine mauritanienne (BAAM). Established 1984 by Mauritania and Egypt. Purpose: conduct of banking operations. Capital: $150 million, 50 per cent held by Banque centrale mauritanienne and 50 per cent by Arab African International Bank (Egypt). B.P. 622, Nouakchott, Mauritania.

15. Banque arabe libyenne-mauritanienne pour le commerce extérieur et le développement (BALM). Established 1972 by Mauritania and Libyan Arab Jamahiriya. Capital: $200 million, 51 per cent held by Libyan Arab Foreign Bank and 49 per cent by Mauritanian Government. B.P. 626, Nouakchott, Mauritania.

16. Banque Al-Baraka mauritanienne islamique (BANIS). Established 1985 by Mauritania and Saudi Arabia. Purpose: conduct of banking operations. Capital: 500 million ouguiya, 50 per cent held by the Al-Baraka investment and development company (Saudi Arabia), 40 per cent by individual Mauritanian investors and 10 per cent by the Banque centrale de Mauritanie. B.P. Nouakchott, Mauritania.

17. Nigeria Arab Bank Ltd. Established 1962 by Nigeria and Jordan. Purpose: conduct of banking operations. Capital: 500,000 naira, 60 per cent held by Nigerian Federal Government and 40 per cent by Arab Bank Ltd., (Jordan). P.O. Box 12807, Lagos, Nigeria.

18. Société arabe libyenne-mauritanienne de ressources maritimes (SALIMAUREM). Established 1978 by Mauritania and Libyan Arab Jamahiriya. Purpose: processing of fishering products and construction of cold storage facility. Capital: 2.3 billion ouguiya, 50 per cent held by Mauritania and 50 per cent by Libyan Arab Jamahiriya. B.P. 75, Nouadhibou, Mauritania.

19. Société arabe mauritano-irakienne de pêche (SAMIP). Established 1979 by Mauritania and Iraq. Purpose: fishing and related activities. Capital: $20 million, 50 per cent held by Mauritania and 50 per cent by Iraq. B.P. 289, Nouadhibou, Mauritania.

20. Compagnie mauritano-coréenne de pêche (MACOP). Established in 1977 by Mauritania and Republic of Korea. Purpose: construction of cold storage facility and ship repair yard and acquisition of fishing vessels. Capital: 230 million ouguiya. B.P. 527, Nouakchott, Mauritania.

21. Société algéro-mauritanienne de pêche (ALMAP). Established 1974 by Mauritania and Algeria. Purpose: processing of fisheries products. Capital: 230 million ouguiya, 51 per cent held by Mauritania and 49 per cent by Algeria. B.P. 321, Nouadhibou, Mauritania.

22. Banque arabe libyenne-togolaise de commerce extérieur (BALTEX). Established 1966 by Togo and Libyan Arab Jamahiriya. Purpose: conduct of banking operations. Capital: 1.6 million CFA francs, 50 per cent held by Togolese Government and 50 per cent by Libyan Arab Foreign Bank. B.P. 4874, Lomé, Togo.

23. Indo-Nigerian Merchant Bank Ltd. Established 1986 by Nigeria and India. Purpose: conduct of banking operations. Capital: 10 million naira, 40 per cent held by Bank of India, 15 per cent by Nigeria Reinsurance Corporation and 45 per cent Nigerian private investors. Adeola Hopewell Street, Victoria Island, Lagos, Nigeria.

24. Société arabe des industries métallurgiques mauritano-koweitienne (SAMIA). Established 1974 by Mauritania and Kuwait. Purpose: establishment of a plaster and glue works, plant for prefabricated components and a foundry. Capital: 1.4 billion ouguiya, 50 per cent held by Mauritania and 50 per cent by Kuwaiti interests. B.P. 1248, Nouakchott, Mauritania.

25. Compagnie mauritanienne de navigation maritime (COMAUNAM). Established 1973 by Mauritania and Algeria. Purpose: marine transport and related activities. Capital is evenly divided between Mauritania and Algeria. B.P. 799, Nouakchott, Mauritania.

26. Banque sénégalo-tunisienne. Established 1986 by Senegal and Tunisia. Purpose: financing of Tunisian/Senegalese investment projects and trade between Tunisia and Senegal, development of financial relations and joint ventures. Capital: 1 billion CFA francs, 25 per cent held by Banque de Tunisie et des Emirats d'investissements, 20 per cent by the Société tunisienne des banques, 13.95 per cent by the Société sénégalaise pour le développement du tourisme, 12.49 per cent by the Senegalese national lottery and 28.56 per cent by private investors. 57 Avenue Georges Pompidou, Dakar, Senegal.

27. Société arabe des mines de l'Inchiri. Established 1980 by Mauritania, Iraq, Jordan, Libyan Arab Jamahiriya and Saudi Arabia. Purpose: reopening and working of Akjouit copper mine. Capital: 3,276 million ouguiya, 37.5 per cent held by the Mauritanian Government, 25 per cent by the Iraqi Government, 20 per cent by the ARMICO company (Jordan), 10 per cent by the Libyan Foreign Investment Company and 7.5 per cent by the Investment Company (Saudi Arabia). B.P. 9, Akjouit, Mauritania.

28. Habib Nigeria Bank Ltd. Established 1983 by Nigeria and Pakistan. Purpose: conduct of banking operations. Capital: 15 million naira, 40 per cent held by Pakistan and 60 per cent by Nigerian private investors and institutions. P.O. Box 2180, Kaduna, Nigeria.

29. Société forestière algéro-congolaise (SFAC). Established 1983 by Congo and Algeria. Purpose: extraction, processing and sale of timber and timber products. Capital: 3 billion CFA francs, 51 per cent held by Office congolais du bois, 46 per cent by the Algerian Entreprise nationale d'approvisonnement en bois et dérivés and 3 per cent by the Congolese Complexe d'exploitation et transformation des bois. B.P. 5109, Brazzaville, Congo.

30. Banque mauritanienne pour le commerce internationale (BMCI). Established 1974 by Mauritania and Egypt. Purpose: conduct of banking operations. Capital: 500 million ouguiya, 10 per cent held by the Banque centrale de Mauritanie and 90 per cent by Kuwaiti and Mauritanian private investors. B.P. 622, Nouakchott, Mauritania.

31. Société des produits chimiques du Niger (SPCN). Established by Niger, Mali and Algeria. Purpose: processing, manufacture and sale of soaps, detergents, fragrances, edible and industrial oils. Capital: 225 million CFA francs, 25.9 per cent held by Nigerian interests, 22 per cent by Malian interests, 15 per cent by Algerian interests and 33.5 per cent by the BLOHRN group. B.P. 10272, Niamey, Niger.

32. Société irano-senegalaise de pétroles et de mines (IRASENCO). Established by Senegal and Iran. Purpose: construction of an industrial complex including a refinery, phosphate mining, petrochemicals and distribution of petroleum products. Capital: 20 million CFA francs, 50 per cent held by the Société sénégalaise de raffinage et de petrochimie and 50 per cent by the Iranian National Petroleum Company. B.P. 3272, Dakar, Senegal.

33. Société pour l'habitat et le logement territorial en Afrique (SHELTER AFRICA). Established 1982 by Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Congo, Djibouti, Egypt, Equatorial Guinea, Gabon, Guinea, Kenya, Lesotho, Malawi, Mali, Mauritius, Morocco, Nigeria, Rwanda, Sao Tome and Principe, Sierra Leone, Somalia, Sudan, Togo, Uganda and Zambia. ADB, AFRICA RE and CDC are also shareholders. Purpose: mobilization of capital for housing projects, creation and promotion of housing organizations, mobilization of technical resources to aid member countries and provide the poor with access to decent housing. Capital: $40 million. P.O. Box 41479, Nairobi, Kenya.

34. Owena Bank (Nigeria) Ltd. Established by Nigeria and the United Arab Emirates. Purpose: conduct of banking operations. Capital: 20 million naira, 60 per cent held by the Odo State Government and 40 per cent by the Middle East Bank Ltd. (United Arab Emirates). P.O. Box 1122, Apapa, Lagos, Nigeria.

35. Banque islamique de Guinée. Established by Guinea and Saudi Arabia. Purpose: conduct of banking operations. Capital: 930 million Guinean francs, 49 per cent held by Guinean shareholders and 59 per cent by the Dar-al-Maal al-Islami group. B.P. 1247, Conakry, Guinea.

36. Massraf Faysal Al-Islami (DMI Senegal). Established by Senegal and Saudi Arabia. Purpose: conduct of banking operations. Capital: 875 million CFA francs, 74 per cent held by the Dar-al-Maal al-Islami Trust and 26 per cent by Senegalese private investors. B.P. 3381, Dakar, Senegal.

37. Société nationale industrielle et minière. Established 1978 by Mauritania, Morocco, Iraq, Arab Mining Company and the Islamic Development Bank. Purpose: mineral exploration in Mauritania and mining and sale of ore. Capital: 9,059.5 million ouguiya, 70.89 per cent held by Mauritania, 9.64 per cent by Kuwait, 7.16 per cent by Arab Mining Company, 6.17 per cent by Iraq Fund for External Development, 3.09 per cent by the Moroccan Bureau de recherches de participations minières, 2.41 per cent by the Islamic Bank and 0.19 per cent by Mauritanian private investors. B.P. 42, Nouadhibou, Mauritania.

38. Holding arabe libyen-burundais. Established 1977 by Burundi and Libyan Arab Jamahiriya. Purpose: establishment of companies in Burundi and participation in new Burundian companies engaged in agriculture, industry, fishing, trade and mining. Capital: $4 million, 40 per cent held by Burundi and 60 per cent by Libyan Arab Jamahiriya. B.P. 1892, Bujumbura, Burundi.